2011 discharge: IMI Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines

2012/2219(DEC) - 01/02/2013

Having examined the revenue and expenditure accounts for the financial year 2011 and the balance sheet at 31 December 2011 of the Innovative Medicines Initiative Joint Undertaking, and the report by the Court of Auditors on the annual accounts of the Joint Undertaking for the financial year 2011, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Joint Undertaking in respect of the implementation of the budget for the financial year 2011.

The observations in the Court of Auditors' report in relation to the financial year 2011 call for some comments by the Council, which may be summarised as follows:

- the Council welcomes the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly its financial position as at 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for that financial year are legal and regular, with the exception of the matter described below;
- however, **it regrets the Court's qualified opinion on the legality and regularity of the transactions underlying the accounts**, due to the high error rate resulting from the ex-post audits carried out for the first time, on the basis of a risk-based and not representative sample selected by external auditors. The Council urges the Joint Undertaking to take the **necessary corrective action to recover the amounts unduly paid**;
- the Council calls on the Joint Undertaking to pay due attention to the proper implementation of commitment and payment appropriations in the course of the budgetary year, in line with the budgetary principle of annuality, thus **avoiding excessive carry-overs**. It invites the Joint Undertaking, in cooperation with the Commission, to adapt, if necessary, its financial programming to real needs with the intention of limiting the risk of over-budgeting;
- moreover, the Council asks the Joint Undertaking to: (i) remedy the inconsistencies identified by the Court between decisions of its Governing Board and the Joint Undertaking's report on budgetary and financial management; (ii) establish functioning and validated budgeting, accounting and internal control systems; (iii) include the provision of the framework Financial Regulation for bodies set up under the TFEU having a legal personality and receiving contributions charged to the EU budget, referring to the powers of the Commission's internal auditor.