2011 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

2012/2218(DEC) - 21/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge to be granted to the Executive Director of the ARTEMIS Joint Undertaking in respect of the implementation of the Undertaking's budget for the financial year 2011.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the ARTEMIS Joint Undertaking for the financial year 2011 are reliable but has **delivered a qualified opinion on the legality and the regularity of the transactions underlying the Joint Undertaking's accounts**, Members approve the closure of the Undertaking's accounts. However, they make a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Financing, budget and financial management**: the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 420 million to be paid from the budget of the Seventh Research Framework Programme. Members note that the initial 2011 budget included operational appropriations amounting to EUR 46.6 million and that an amending budget was adopted reducing operational appropriations to EUR 18.6 million.
- **Implementation rate of appropriations and carryovers:** Members regret the relatively low implementation rate for operational payment appropriations standing at 86%, 53% and 18% for the 2008, 2009 and 2010 call for proposals. They call for a detailed progress report on these shortcomings;
- **Qualified opinion of the Court of Auditors:** Members are concerned that the Joint Undertaking annual accounts received a qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts on the grounds that the Joint Undertaking was not in a position to assess whether the *ex post* audit strategy provides sufficient assurance with respect to the legality and regularity of the underlying transactions. They invite the Joint Undertaking to provide the discharge authority with an action plan to overcome that potential lack of assurance and expect that the Court of Auditors, through its independent audits, will be in position to provide the discharge authority with its own opinion on the effectiveness of the Joint Undertaking's *ex-post* audit strategy. They condemn the fact that Greece is using Union Structural Funds to cover its national contributions to the Greek beneficiaries of the Artemis projects instead of providing national funding. They request the Commission to inform the discharge authority on the legality of this situation as soon as possible.

Lastly, Members made a series of observations as regards the Joint Undertaking's procurement system, its control system and its internal audit system, the weaknesses in its annual activity report and other questions linked to the management of this Joint Undertaking. **They note in passing the possibility of a merger with the ENIAC Joint Undertaking**.