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

2012/2219(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 Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines in respect of the implementation of the budget of the Joint Undertaking for the financial year 2011.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the 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 Joint 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 1 billion to be paid from the budget of the Seventh Research Framework Programme. Members note that the budget of the Joint Undertaking for the financial year 2011 and the implementation plan were adopted by the Governing Board very late and that this delayed the launch of the call for proposals and, for the entire first quarter of the year, the Joint Undertaking was obliged to use provisional twelfths budget rule to make payments;

- **Implementation rate of appropriations and carryovers:** Members reiterate their concern about the low implementation rate of the commitment appropriations available for research activities and express, once again, their concern about the low implementation rate of the Joint Undertaking's budget. They call for a detailed progress report on those 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 error rate resulting from the *ex-post* audits was 6.84%. They await the agreement between the Court and the Joint Undertaking on an audit methodology that for the same *ex-post* audits delivers the same results.

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 reiterate their invitation for the Court of Auditors to provide, within a reasonable deadline, a special report to Parliament on common issues due to the nature of the joint undertakings in order to **ensure their added value** and efficient execution of Union research, technological development and demonstration programmes. They call for that report should include **an assessment of the effectiveness of the joint undertakings' establishment and structure**.