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

2012/2219(DEC) - 17/04/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a decision on discharge to be granted to the Executive Director of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines (IMI) for the financial year 2011. The vote on the decision to grant discharge covers the closure of the accounts (in accordance with Annex VI, Article 5(1) of the European Parliament's Rules of Procedure).

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 that it had delivered **a qualified opinion on the legality and the regularity of the transactions underlying the Undertaking's accounts,** Parliament approved the closure of the accounts. It, however, adopted a series 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. Parliament notes 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:** Parliament reiterates its 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. It calls for a detailed progress report on those shortcomings.
- **Qualified opinion of the Court of Auditors:** Parliament is 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%. It awaits the agreement between the Court and the Joint Undertaking on an audit methodology that for the same *ex-post* audits delivers the same results.
- **EFPIA:** Parliament is surprised to learn that the provisions of the grant agreement do not recognise the right of the Court of Auditors to audit the in-kind contributions of EFPIA companies although they are recorded in the financial statements of the Joint Undertaking and are estimated at EUR 1 000 million over the lifetime of the Joint Undertaking.

Lastly, Parliament also makes a series of observations as regards the Joint Undertaking's procedures for calls for proposals, its internal control systems, its annual activity report, as well as other management matters.

Parliament invites the Court of Auditors to provide, within a reasonable deadline, a special report to Parliament on common issues which occur 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.** It further notes that the same report should include **an assessment of the effectiveness of the joint undertakings' establishment and structure**.