

# 2012 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

2013/2250(DEC) - 22/10/2013 - Court of Auditors: opinion, report

**PURPOSE:** presentation of the EU Court of Auditors' report on the annual accounts of the Artemis Joint Undertaking for the financial year 2012, together with the Joint Undertaking's reply.

**CONTENT:** in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit concerned, amongst others, the annual accounts of the Artemis Joint Undertaking.

In the Court's opinion, **the Artemis Joint Undertaking's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2012** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer.

The Court also considers that the **transactions underlying the annual accounts** of the Artemis Joint Undertaking for the financial year ended 31 December 2012 are, in all material respects, **partially legal and regular**. A **qualified opinion** was delivered.

The basis for this qualified opinion concerns the ex post audit strategy. The audit of project cost claims has been delegated to the national funding authorities of the Member States (NFAs). Artemis received audit reports from the NFAs covering approximately 45% of the costs related to completed projects. However, the Joint Undertaking did not assess the quality of these audits. Information on the audit strategies of all NFAs was insufficient. The Court was therefore not in a position to assess whether ex post audits provide sufficient assurance as to the legality and regularity of the underlying transactions.

The report confirms that the Artemis Joint Undertaking's budget for 2012 amounted to EUR 57 446 787 million in commitment appropriations and EUR 27 217 532 in payment appropriations.

The report also makes a series of observations on the budgetary and financial management of the Joint Undertaking, accompanied by the latter's response. The main observations may be summarised as follows:

## **Court's comments:**

- internal audit capacity: the Court stated that during 2012, the Joint Undertaking intensified its efforts to establish and implement effective financial, accounting and management control procedures. However, further work is needed, in particular regarding the internal control standards and the financial verification of cost claims.

## **Joint Undertaking's replies:**

- **qualified opinion:** in its reply, Artemis acknowledges the importance of the ex post audit strategy. However, the various financing schemes and national rules in place in the different Member States imply that ex post audit is only feasible on **completed projects**. In that perspective a new modification of Artemis ex post audit strategy was submitted to the Governing Board on December and finally approved on January 2013.

As regards the **activities of the Joint Undertaking in 2012**, the report refers to the Annual Activity Report 2012 which can be found at [http://www.artemis-ju.eu/reference\\_documents](http://www.artemis-ju.eu/reference_documents).

On an operation level, the Court's report states that the actual implementation rate and the anticipated value of calls for proposals together represent in 2012 EUR 206 million, or only 50.2% of the total budget.