

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

2013/2250(DEC) - 05/02/2014

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the Artemis Joint Undertaking, and the report by the Court of Auditors on the annual accounts of the Joint Undertaking for the financial year 2012, 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 2012.

The observations in the Court of Auditors' report in relation to the financial year 2012 call for some comments by the Council, which may be summarised as follows:

- **Qualified opinion:** the Council regrets the Court's qualified opinion on the legality and regularity of the transactions underlying the accounts, based on the Court's assessment that the **Joint Undertaking's ex-post audit strategy does not provide sufficient assurance that this key control tool is functioning effectively**. The Council urges the Joint Undertaking to examine the audit strategies of the National Funding Authorities (NFAs), to ensure that all NFAs deliver their audit reports on time, and that they include all relevant information for the ex-post audit strategy to function effectively.
- **Excessive carry-overs:** in order to avoid excessive carry-overs, 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 and to decommit unused appropriations if necessary, in line with the budgetary principle of annuality.
- **Internal control systems:** the Council recognises the improvements achieved in 2012 by the Joint Undertaking in its financial, accounting and management control procedures. However, further work is still necessary, in particular regarding the implementation of the internal control standards and the financial verification of cost claims. The Council takes note of the Joint Undertaking's response concerning the internal audit capability. With regard to the Court's remarks on the internal audit function, the Council invites the Joint Undertaking to bring its own Financial Rules concerning internal audit arrangements, and in particular regarding the powers of the Commission's internal auditor, in line with the revised Framework Financial Regulation.
- **Research results:** the Council furthermore invites the Joint Undertaking to improve the monitoring and reporting of research results, in line with the provision of the relevant regulations of the Seventh Framework Programmes, as well as the reporting of reservations in its annual activity report, in order to address the shortcomings identified in the ex-post audit strategy.