2012 discharge: IMI Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines

2013/2251(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 Innovative Medicines Initiative 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, **due to the error rate above the materiality threshold detected during its ex-post audits**. The Council urges the Joint Undertaking to take the necessary corrective actions to recover the ineligible expenditure and to decrease the rate of error in order to achieve an unqualified opinion of the Court.
- **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 welcomes developments achieved so far in establishing the effective and reliable internal control systems and invites the Joint Undertaking to continue its effort in line with the Court's recommendations. 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 the internal audit arrangements**, and in particular those regarding the powers of the Commission's internal auditor, in line with the revised Framework Financial Regulation.
- **Research results**: the Council also 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.