2012 discharge: European Institute of Innovation and Technology (EIT)

2013/2242(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 European Institute of Innovation and Technology (EIT), as well as the Court of Auditors' report on the annual accounts of the Institute for the financial year 2012, accompanied by the Institute's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Director of the Institute 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:

- in general, the Council welcomes the Court's opinion that, in all material respects, the Institute's annual accounts present fairly its financial position as at 31 December 2012 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Institute's Financial Regulation and the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for that financial year are legal and regular.
- **Qualified opinion**: the Council regrets the Court's **qualified opinion regarding the weaknesses detected in the grant transactions authorised by the Institute**. It calls on the Institute to reinforce its ex-ante and ex-post verifications in order to improve assurance on the legality and regularity of grant expenditure. It also urges the Institute to take all necessary measures to enhance the quality of the audit certificates issued by independent auditors in that respect. Furthermore, the Council invites the Institute to include more detailed objectives and cost specifications in its grant agreements, establishing a clear link between the approved funds, the activities to be implemented and the rules to be applied. It underlines the importance of **clear and quantifiable targets and milestones** allowing an effective assessment of the supported project activities and the achieved results. Lastly, it asks the Institute to limit carry-overs of appropriations to the following year to the minimum necessary, in line with the budgetary principle of annuality.