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

2013/2251(DEC) - 20/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Paul RÜBIG (EPP, AT) on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative (IMI) Joint Undertaking for the financial year 2012 and called on the European Parliament to grant the Executive Director of the IMI Joint Undertaking discharge in respect of the implementation of the Office's budget for the financial year 2012.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the IMI for the financial year 2012 are reliable and that the underlying transactions are legal and regular, Members made a number 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:

- **Qualified opinion of Court of Auditors**: Members were concerned that the error rate resulting from the ex post audits, performed by or on behalf of the Joint Undertaking was 5.82 %. They recognised that most of these errors were relatively small in amounts to be adjusted (less than EUR 5 000 in favour of the Joint Undertaking) and noted that steps had been taken to recover or offset these amounts from subsequent claims. The report pointed out that actions taken by the Joint Undertaking to prevent and correct these errors had a bearing on the residual error rate. However, Members took note that the Court of Auditors issued a qualified opinion on the legality and the regularity of the transactions on that basis, underlying the annual accounts of the Joint Undertaking for the second consecutive year.

- **Rate of utilisation and carryovers**: Members were concerned that a high level of payment and commitment appropriations for administrative expenditure in 2012 were still unused at year end (26.81 % of commitment appropriations and 39.8 % of payment appropriations). They noted that the high level of unused appropriations of the administrative budget indicated that it was not based on realistic estimates defined through the Legislative Financial Statement.

Members went on to make a series of observations on calls for proposals, internal control systems, internal audits, and horizontal aspects of European Research Joint Undertakings.

JTI: the committee invited the Court of Auditors to **comprehensively analyse the Joint Technology Initiatives (JTIs)** and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks- notably reputational – presented. It noted that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2.5 billion or about 1.8 % of the 2012 Union general budget while approximately EUR 618 million came from the general budget (cash contribution from the Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings.

Members recalled that Parliament had previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes.

They agreed with the Court of Auditors' conclusion that the JTIs had been set up to support long-term industrial investment in particular research areas, but noted that it had taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs.