2012 discharge: European Medicines Agency (EMA)

2013/2215(DEC) - 21/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) in which it recommended the European Parliament to grant discharge to the Executive Director of the European Medicines Agency (EMA) in respect of the implementation of the Agency'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 Agency for the financial year 2012 are reliable, and that the underlying transactions are legal and regular, Members approved the closure of the Agency’s accounts. They made, however, a number of recommendations that needed 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.

- **Reliability of the accounts - legality and regularity of transactions**: Members noted that the Agency applies differing recognition criteria for fee revenues and associated expenditure and that the revenue from application fees is recognised on a straight-line basis over a set time period. They also regretted that the Agency has not yet validated its accounting system in the area of intangible fixed assets, which, given the considerable investment in the development of information and communications technology (ICT), is a crucial part of the whole accounting system. They called on the Agency to inform the discharge authority on progress in this regard within the framework of the 2012 discharge follow-up. Members also noted with concern that in order to cover higher school fees, the Agency grants staff whose children attend primary or secondary school a top-up allowance, which amounted to some EUR 389 000 in 2012, allowances that may be considered irregular. They acknowledged that this situation is due to the lack of European Schools in the city where the Agency is based.
- **Budget and financial management**: Members noted that the rate of committed appropriations carried over was high for operating expenses at 27% even though they acknowledged that this relates primarily to the Agency’s planned move to a new premises in 2014 (EUR 4 million) and to the development of ICT systems (EUR 1.6 million).
- **Commitments and carryovers**: Members took note that the reduced amount carried over to 2013 in comparison with 2010 and 2011 and stated that this is partly related to the new building project. They reminded the Agency of the importance of respecting the budgetary principle of annuality.

Members also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

Lastly, they acknowledged that the Agency revised its policy on the handling of conflicts of interests by the Scientific Committees' members and experts which is expected for endorsement by the Management Board in March 2014. They called on it to present that revised policy to the discharge authority once adopted. Members noted that the Agency works together closely with a variety of patient, healthcare and consumer organisations in order to take their opinions into account. They called on the Agency to request public disclosure regarding the funding of any **patient, consumer and healthcare organisation** it works with, and to carry out a **conflict of interests check** regarding those organisations.