2013 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

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The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the **ARTEMIS Joint Undertaking** for the financial year 2013.

It called on the European Parliament to postpone its decision on granting the Executive Director of the ECSEL Joint Undertaking discharge in respect of the implementation of the ARTEMIS Joint Undertaking' s budget for the financial year 2013.

Members postponed the closure of the accounts of the ARTEMIS Joint Undertaking for the financial year 2013. At the same time, they made 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.

- **Budgetary and Financial Management: Members** noted that payments made in 2013 relating to certificates of acceptance of costs issued by the national funding authorities ("NFAs") of the Member States amounted to EUR 11 700 000, which accounted for 57 % of the total operational payments. They were concerned that the Joint Undertaking did not assess the quality of those audits and that, by the end of March 2014, it had not received information on the audit strategies of seven out of 23 NFAs. The JU was therefore not in a position to assess whether ex post audits provide sufficient assurance as to the legality and regularity of the underlying transactions. Whilst welcoming the action plan aiming to remedy the **deficiencies identified by the Court in its qualified opinion**, Members looked forward to the successful implementation of the entire plan as well as to the Court's opinion on its outcome. They went on to note that the utilisation rate of payment appropriations was only 69 %, while the utilisation rate for operational commitment appropriations was 99.4 %. Furthermore, they were concerned that there was poor information regarding the evaluation of the Member States' and Research and Development organisations' contributions corresponding to the actual level of Union's payments. In line with the information received, the contribution of the Member States was under the level of 1,8 as requested by the Joint Undertaking's statute. The committee called on the Joint Undertaking to submit a report to the discharge authority concerning the contributions of all members other than the Commission, including the application of the evaluation rules, together with an assessment by the Commission.
- **Internal audit:** the committee was concerned that the Joint Undertaking had not set up **an internal audit capability** as required by its establishing Regulation. It noted moreover that although the mission charter of the Commission's Internal Audit Service (IAS) was adopted by the Governing Board on 25 November 2010, the financial rules of the Joint Undertaking had not been amended in order to include the provision of the model financial regulation referring to the powers of the Commission's Internal Audit Service.

Members acknowledged that the Joint Undertaking, along with the Clean Sky, ENIAC, FCH and IMI Joint Undertakings had been the subject of an IT risk assessment of their shared IT infrastructure performed by the IAS.

Members also made a series of observations on conflicts of interest at the JU and its legal framework.

Other observations: the committee ascertained that the Joint Undertaking had developed procedures in order to monitor the protection and dissemination of their research results at different project stages but from the Court's report, this should be further developed in order to fully meet the provisions of the Decision.

They called on the Joint Undertaking to submit a report to the discharge authority on the social-economic benefits of the already completed projects, and for that report to be submitted to the discharge authority together with an assessment by the Commission.

Members recalled that the discharge authority had previously requested the Court to 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.