2014 discharge: European Institute of Innovation and Technology (EIT)

2015/2193(DEC) - 27/01/2016 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2014 and the balance sheet as at 31 December 2014 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 2014, accompanied by the Institute's replies to the Court's observations, the Council recommended 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 2014.

The Council welcomed the Court's opinion that, in all material respects, the Institute's annual accounts present fairly its financial position as at 31 December 2014 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 that the underlying transactions for 2014 are legal and regular in all material respects.

Nevertheless, the Council has made some observations which may be summarised as follows:

- **Knowledge and Innovation Communities**: the Council noted the Court's observation that the grant agreements signed with the three first Knowledge and Innovation Communities (KIC) stipulate that the Institute's financial contribution may not exceed 25 % of the KIC's global expenditure over the period from 1 January 2010 to 13 December 2014. The Council, while acknowledging that this ceiling was observed, underlined the risk to the legality and regularity of the underlying transactions linked to this provision. It invited the Institute to provide the KICs with further guidance on how to **gradually reduce their dependency from funding through grants provided by the Institute**;
- **financial programming**: the Council asked the Institute to improve its financial programming and monitoring of the budget implementation in order to reduce the level of commitments remaining unused at the end of the financial year;
- **staff**: the Council noted with concern the Institute's high fluctuation of staff and the important vacancy rates, notably at management level. It called on the Institute to fill vacant posts without delay in order to ensure operational continuity.