2015 discharge: IMI 2 Joint Undertaking

2016/2198(DEC) - 18/10/2016 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Innovative Medicines Initiative (IMI) 2 Joint Undertaking for the financial year 2015, together with the Joint Undertaking's reply.

CONTENT: in accordance with the tasks conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, the Court presents to the European Parliament and to the Council, in the context of the discharge procedure, a Statement of Assurance as to the reliability of the annual accounts of each institution, body or agency of the EU, and the legality and regularity of the transactions underlying them, on the basis of an independent external audit.

This audit focused on the annual accounts of the IMI 2 Joint Undertaking (initiative on innovative medicine). To recall, under Horizon 2020, the objective of the IMI 2 Joint Undertaking is to improve health by speeding up the development of, and patient access to, innovative medicines, particularly in areas where there is an unmet medical or social need. It does this by fostering collaboration between the key players involved in healthcare research, including universities, the pharmaceutical and other industries, small- and medium-sized enterprises (SMEs), patient organisations and medicines regulators.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the IMI 2 Joint Undertaking, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2015, and the results of its operations and its cash flows for the year then ended in accordance with the provisions of its financial rules and the rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2015 are, in all material respects, legal and regular.

The audit also revealed the following points:

- **presentation of the accounts**: the Court stated that the final annual accounts issued by the IMI Joint Undertaking do not include the budget outturn account nor the reconciliation table to the economic outturn account. However, both items are published in the Joint Undertaking's report on budgetary an financial management 2015, although the level of information differs from that given by most other Joint Undertakings, which demonstrates the need for clear Commission guidelines for the Joint Undertakings' budgetary reporting;
- **internal audits**: the Court noted that in February 2015, the Commission's Internal Audit Service (IAS) concluded an audit on ex-ante controls for grant management at the IMI 2 Joint Undertaking. The IAS recommended that the Joint Undertaking should make its ex-ante controls more effective by using a more risk-based and balanced approach, and should reinforce control procedures for the Certificates on Financial Statements.

Joint Undertaking's reply: the JU noted that since September 2015, it has outsourced the function of Accounting Officer to the Accounting Officer of the European Commission. The different level of details is based on the Commission reporting practices. IMI JU strongly supported the Court's recommendation on establishing guidelines for the budget reporting.

Moreover, the JU has progressed in the implementation of the actions agreed with the IAS as regards the internal audit, specified in the Action plan approved on 13 March 2015. The IAS confirmed that IMI management implemented a recommendation on risk-based approach to ex-ante controls by means of a risk assessment of the system in place and by streamlining internal procedures.