

2016 discharge: European Institute of Innovation and Technology (EIT)

2017/2176(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 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 2016, 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 2016.

The Council welcome the Court's opinion that the Institute's annual accounts present fairly, in all material respects, its financial position as at 31 December 2016 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 2016 are legal and regular with the exception of the matter described below.

Nevertheless, the following observations were made:

- **procurement:** the Council regretted the Court's finding of significant shortcomings in the Institute's KIC Legal Entities procurement procedures, such as direct award contracts, absence of essential elements in tenders, extensions of contract volume and time, and quality/price weighting, as well as ex-post verification;
- **grants:** despite of some improvement compared to 2015, the Council is concerned about the delays related to the grant award decisions, which create uncertainty and reduce the partners' willingness to commit resources to start activities at the beginning of the year. In this respect, the Council invited the Institute to improve its processes in grant award decisions to eliminate the risk of such an adverse situation.