

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

2017/2176(DEC) - 26/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Bart STAES (Greens/EFA, BE) on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology (EIT) for the financial year 2016.

The committee called on the European Parliament to grant the interim Director of the Institute discharge in respect of the implementation of the Institute's budget for the financial year 2016.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Institute for the financial year 2016 were reliable and that the underlying transactions were legal and regular, Members called on Parliament to approve the closure of the Institute'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](#):

- **Budget and financial management:** Members noted that from the Institute's final accounts that its budget monitoring efforts during the financial year 2016 resulted in a budget implementation rate of 95 %, representing a significant increase compared to the previous year (compared to 90.58% in 2015). They noted that the payment appropriations execution rate was high at 99 %, representing an increase of 3.41 % compared to 2015.
- **Commitments and carry-overs:** the level of carry-overs for committed appropriations for operational expenditure was high, at 40 % (EUR 400 000), compared to 44 % in 2015. Those carry-overs relate mainly to contracts for IT services going beyond year-end and for meetings for which invoices had not yet been received. Carry-overs may often be justified and do not necessarily indicate weaknesses in budget planning and implementation.

Members also made a series of observations regarding procurement and staff policy, the prevention and management of conflicts of interests and internal audits and controls.

They regretted that knowledge and innovation communities (KIC) legal entities' procurements of up to EUR 2 200 000 were considered **irregular** in 2016 and proved significant shortcomings in their procurement procedures. They also regretted that the Institute had **four directors** from its creation in 2008 until July 2014. Since August 2014, the position of director, and, since February 2013, another managerial position, have been filled on an **ad interim basis**. They acknowledged the Institute's reply that it is not in a position to comment on the recruitment procedure for the Institute's director, as that is managed by the Commission. However, Members strongly urged the Commission to finalise this outstanding procedure.