2017 discharge: European Institute of Innovation and Technology (EIT)

2018/2207(DEC) - 04/03/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Petri SARVAMAA (EPP, FI) on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology (EIT) for the financial year 2017.

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 2017.

Noting that the Court of Auditors stated that it had obtained reasonable assurance that the annual accounts of the Institute for the financial year 2017 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:

Institute's financial statement

The final budget of the European Institute of Innovation and Technology for the financial year 2017 was EUR 338 465 181, representing an increase of 15.20 % compared to 2016. The overall contribution of the Union to the Institute's budget for 2017 amounted to EUR 315 147 801.58.

Budget and financial management

The budget monitoring efforts during the financial year 2017 resulted in a budget implementation rate of 91.23 %, representing a decrease of 3.8 % compared to 2016. This low number is linked to the low implementation rate of commitments appropriations of grants. The Institute stated that it will try to improve its budgetary processes to enhance the implementation. Payment appropriations execution rate was 99.5 %, representing a slight increase of 0.36 % compared to 2016.

The cancellations of carryovers from 2016 to 2017 amounted up to 95 721, representing 16.26 % of the total amount carried forward, and showing a notable increase of 5.33 % in comparison to 2016.

Members also made a series of observations regarding performance, staff policy, procurement, conflicts of interest and internal controls.

In particular, they noted that:

- on 31 December 2017, the establishment plan was 92.68 % filled, with 38 temporary agents appointed out of 41 authorised under the Union budget. Members urged the Institute to refrain from relying too heavily on temporary contracts;

- the Institute's current interim director was appointed in 2014, and has held the post ever since as ad interim. This practice is at odds with the Staff Regulations which limits the duration to a maximum of one year. Members urged the Institute to replace the interim director by a new director, without further delay;

- in 2017 several conflicts of interests cases were identified and assessed and that adequate measures were taken;

- the Commission finally granted the Institute full financial autonomy in December 2017, since it achieved compliance with the internal control standards.