2004 discharge: European Agency for the Evaluation of Medicinal Products

2005/2114(DEC) - 05/10/2005 - Court of Auditors: opinion, report

This report from the Court of Auditors concerns the results of the audit carried out by the Court on the annual accounts of the European Medicines Agency for the financial year ended 31 December 2004. The Court states that its audit was planned and performed to obtain reasonable assurance that the accounts are reliable and the underlying transactions are legal and regular. The Agency's accounts for the financial year ended 31 December 2004 are, in all material respects, reliable. The transactions underlying the Agency's annual accounts, taken as a whole, are legal and regular. The observations which follow do not call the Court's opinion into question.

The report shows that the appropriations entered in the final budget amount to EUR 99 089 000 with EUR 96 715 000 committed and EUR 73 964 000 paid. EUR 22 751 000 was carried over to 2005, and EUR 2 374 000 cancelled. The outstanding commitments carried over from the previous financial year were EUR 16 115 000.

The Court observes that the Agency's Management Board has set up an Audit Advisory Committee to advise the Executive Director on matters regarding quality assurance and risk-mitigating strategies. The existence of such a body and its operating procedures, including the recruitment procedure for its members, must be provided for, on account of its permanent nature, in the rules which govern the Agency' s internal organisation.

In addition, the contracts concluded with the banks have been in force for over five years even though the detailed rules for the implementation of the Agency's financial regulation lay down that there should be a new invitation to tender at least once every five years.

The Court notes that the Agency's new financial regulation, as finally adopted after receipt of the Commission's opinion, takes account of the observations which the Court made in its previous report. Similarly, the system for managing the Agency's fixed assets has been considerably improved.

The Agency responds point by point to the Court's observations.

The Audit Advisory Committee is a consultative body and has no operational role in the internal organisation of the Agency. On 4 February 2005 the Management Board of the agency adopted the Terms of Reference of the Audit Advisory Committee which include the mission statement of this committee as well as the rules of proceedings.

The Agency goes on to state that it has had to implement a wide-ranging reform of the Financial Regulation and Accounting procedures over the last few years. It was considered prudent not to seek a change in the main bank at the same time due to the integration of our systems with this bank's electronic payment system. Now that the Agency is in the final stage of implementing the new Financial Regulation, a call for tender will be launched in the last quarter of this year. However it should be noted that substantial reductions in bank transfer costs have been achieved through direct negotiations with the bank and automation of payments. Also placements of funds are subject to individual bids from up to three banks based on the market rates on a particular day.