

2005 discharge: European Agency for the Evaluation of Medicinal Products

2006/2161(DEC) - 19/12/2006

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 2005.

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 report shows that the appropriations entered in the final budget amount to EUR 111 835 000 with EUR 105 354 000 committed and EUR 88 489 000 paid. EUR 18 833 000 was carried over to 2006, and EUR 4 513 000 cancelled.

In its report, the Court observes that the utilisation rates for commitment appropriations (94 %) and payment appropriations (82 %) were on the whole high. For administrative expenditure (Title II), however, the utilisation rate for commitment appropriations was less than 90 %, and more than 40 % of the commitments made were carried over to the following financial year.

Other observations are as follows:

- access rights to the computer system did not always correspond to the delegations in force;
- from the end of 2004, the Agency has managed funds (approximately EUR 400 000) collected from other Agencies and bodies to finance a common support service to develop their financial management information systems. Up to 2005, these funds were not presented in the Agency's annual accounts, as was the case with other Agencies which managed the funds in earlier years following a rotational system;
- anomalies were found in the course of checks on the award of contracts, especially as regards IT contracts;
- no formal decisions concerning the appointment of evaluation committees;
- rules governing the hierarchical independence of committee members were not observed;
- evaluation committee meetings were held in the absence of some of the members, without any formal justification for their absence;
- contracts concluded with the banks have been in force for over six years even though the detailed rules for the implementation of the Agency's financial regulation lay down that there should be a new call for tenders at least once every five years.

The Agency responds point by point to the Court's observations. It notes that the high carry-over 2004-2005 on Title 2 is mainly due to the Telematics expenditure programme, which accounts for 80 % of the carry-overs. The Telematics carry-overs were high because this programme comprises a number of large and complex multi-annual projects covering the whole EU that stretched from 2004 through into 2005.

Security access has been rectified and all delegated authorising officers were instructed that they must take care to sign the right transaction (in SI2) based on the delegation decision and that they must act with due diligence in this regard.

The CSS expenditure for 2006 will be included in the EMEA budget with the first Amending Budget and the costs will be charged to the members. Disclosure of the CSS activities in 2005 has been made in note 4 of the EMEA 2005 Accounts.

The composition of evaluation committees, often made up of more than three persons, is based on the principle that bids should be evaluated by persons both independent and with appropriate expertise. In any case, a minimum of three persons participate to the meetings and the minutes for each meeting are distributed for discussion and approval. In the future, the Agency will request that minutes include a justification in case of absence of a member.

Lastly, in 2006, the Agency launched a tender for banking services. The delay mentioned by the Court is due to the fact that over the last years, the financial system of the Agency has been overhauled and it would have been too disruptive to implement a change of bank.