Basic information

2010/2191(DEC) DEC - Discharge procedure	Procedure completed
2009 discharge: IMI Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	STAVRAKAKIS Georgios (S&D)	23/03/2010
	Shadow rapporteur MACOVEI Monica (PPE) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) SØNDERGAARD Søren Bo (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
20/07/2010	Non-legislative basic document published	SEC(2010)0963	Summary
07/10/2010	Committee referral announced in Parliament		
21/03/2011	Vote in committee		Summary
06/04/2011	Committee report tabled for plenary	A7-0129/2011	

10/05/2011	Decision by Parliament	T7-0186/2011	Summary
10/05/2011	Results of vote in Parliament		
10/05/2011	Debate in Parliament		
10/05/2011	End of procedure in Parliament		
27/09/2011	Final act published in Official Journal		

Technical information

Procedure reference	2010/2191(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/04083

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE450.715	31/01/2011	
Committee report tabled for plenary, single reading		A7-0129/2011	06/04/2011	
Text adopted by Parliament, single reading		T7-0186/2011	10/05/2011	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05894/2011	03/02/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	SEC(2010)0963	20/07/2010	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0004/2011 OJ C 342 16.12.2010, p. 0015	20/10/2010	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act
Decision 2011/0614 OJ L 250 27.09.2011, p. 0250 Summary

2009 discharge: IMI Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines

2010/2191(DEC) - 20/07/2010 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2009, as part of the 2009 discharge procedure.

Analysis of the accounts of the **Innovative Medicines Initiative Joint Undertaking**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2009 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including the Innovative Medicines Initiative Joint Undertaking (IMI).

In 2009, the tasks and budget of this agency were as follows:

- **description of the tasks of the Joint Undertaking:** the IMI Joint undertaking, which is located in Brussels, was set up in 2007 by Council Regulation (EC) No 73/2008 for a period of 10 years. Its main task is to improve significantly the efficiency and effectiveness of the drug development process;
- **budget of the Joint Undertaking for the 2009 financial year:** the maximum EU contribution to the IMI Joint Undertaking to cover running costs and research activities is EUR 1 billion to be paid from the budget of the Seventh Research Framework Programme. In 2009, the EU's contribution amounted to EUR 81.9 million in payment appropriations.

The complete version of the Agency's final accounts may be found at the following address

http://www.imi.europa.eu/content/budget-0

2009 discharge: IMI Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines

2010/2191(DEC) - 10/05/2011 - Final act

PURPOSE: to grant discharge to the Joint Technology Initiative on Innovative Medicines in respect of the implementation of the Agency's budget for the financial year 2009.

NON-LEGISLATIVE ACT: Decision 2011/614/EU of the European Parliament on discharge in respect of the implementation of the budget of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines for the financial year 2009.

CONTENT: with the present decision, the European Parliament grants discharge to the

Executive Director of the Joint Undertaking for the implementation of its budget for the financial year 2009.

This decision is in line with the European Parliament's resolution adopted on 10 May 2011 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 10/05/2011).

A parallel decision, adopted on the same day, approves the closure of this Agency's accounts.

2009 discharge: IMI Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines

2010/2191(DEC) - 03/02/2011 - Document attached to the procedure

Having examined the revenue and expenditure accounts for the financial year 2009 and the balance sheet at 31 December 2009 of the Innovative Medicines Initiative Joint Undertaking, and the report by the Court of Auditors on the annual accounts of the Joint Undertaking for the financial year 2009, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Joint Undertaking in respect of the implementation of the budget for the financial year 2009.

The Council welcomes the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly the financial position as at 31 December 2009 and the results of operations and cash-flows for the year then ended, in accordance with the provisions of the Joint Undertaking's Financial Rules, and that the underlying transactions for that financial year are legal and regular.

However, the Council considers that observations made in the Court of Auditor’s report call for a certain number of observations to be taken into account when granting discharge, particularly on the following points:

- **budget presentation**: while taking into account that the Joint Undertaking was recently established and that it started to work autonomously only on 16 November 2009, the Council calls on the Joint Undertaking to comply with the financial provisions in force and with the budgetary principles. Due attention should be paid to presenting a budget that can be implemented, thus avoiding underspending, and to a clear presentation of the accounts reflecting its members' contributions;
- **internal control**: the Council recalls that internal control and financial information systems must be completely implemented and business processes formalised. It calls on the Joint Undertaking to intensify its efforts, in particular in the documentation of IT processes and in setting up a Business Continuity Plan;
- **Financial Rules**: the Council also urges the Joint Undertaking to complete its Financial Rules and to clarify its internal audit function, in order to eliminate inconsistencies as regards the prerogatives of the Commission's internal auditor;
- **host agreement**: lastly, the Council stresses the importance of concluding a host agreement without delay.

2009 discharge: IMI Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines

2010/2191(DEC) - 20/10/2010 - Court of Auditors: opinion, report

PURPOSE: presentation by the Court of Auditors of its report on the annual accounts of the Innovative Medicines Initiative Joint Undertaking (IMI Joint Undertaking) together with the Joint Undertaking’s replies

CONTENT: in accordance with the tasks and objectives conferred on it by the Treaty on the Functioning of the European Union (TFEU), the Court of Auditors, in the context of the discharge procedure, addresses to the European Parliament and the Council a Statement of Assurance on the reliability of the annual accounts, as well as of the legality and regularity of the transactions underlying them of each EU institution, body or agency, on the basis of an external, independent audit.

This audit also covered the annual accounts of the IMI Joint Undertaking.

In the Court’s opinion, **the Joint Undertaking's annual accounts presented “fairly, in all material respects", its financial position as of 31 December 2009** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also stated that the **transactions underlying the annual accounts** of the Joint Undertaking for the financial year ended 31 December 2009 were, “in all material respects, **legal and regular**”.

The report again confirmed that the maximum the maximum EU contribution to the IMI Joint Undertaking to cover running costs and research activities is EUR 1 billion to be paid from the budget of the Seventh Research Framework Programme. The EU and EFPIA, as founding members, are to contribute equally to the running costs, each of them with an amount not exceeding 4 % of the total EU contribution. Other members are to contribute to running costs in proportion to their contribution to research activities. The final budget included payment appropriations of EUR 82 million.

The report also included comments on the Joint Undertaking’s budgetary and financial management, together with the Agency’s replies. The main comments are as follows:

The Court’s comments:

- inadequate implementation of the budget in 2009 (EUR 82 million) in view of the number of activities associated with the budget - the budget for payments proved to be 97 %, the rate
- for payment appropriations was only 1 % (the budget is shown to be unrealistic).
- lack of host State agreement concerning office accommodation, privileges and immunities and other support to be provided by Belgium to the Joint Undertaking;
- Deficiencies in the presentation of the accounts and and in in the internal audit function ;

The Joint Undertaking's replies:

- the low implementation rate for payments in 2009 was a consequence of the start-up phase of the Joint Undertaking ;
- the Joint Undertaking awaits the outcome of the next steps of the procedure to have an agreement signed;
- continuing development of internal control standards and an internal auditor is to be appointed towards the end of 2010.

Lastly, the Court of Auditor's report contained a summary of the Joint Undertaking's **activities in 2009.** The main task for 2009 was the preparatory actions necessary for the autonomy of the IMI JU granted on 16 November 2009. It carried out the following actions:

- recruitment of staff;
- setting up the offices of the Joint Undertaking;
- establishment of procedures for administrative and operational actions.

The Joint Undertaking finalised its first call for proposals. An IT infrastructure was also set up and communication activities were carried out in order to present the activities of the Joint Undertaking.

2009 discharge: IMI Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines

2010/2191(DEC) - 10/05/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 532 votes to 84, with 34 abstentions, a decision on discharge to be granted to the Executive Director of the Joint Undertaking for the implementation of the Joint Technology Initiative on Innovative Medicines (IMI) in respect of the implementation of the Undertaking' s budget for the financial year 2009.

Noting that the Joint Undertaking's annual accounts for the financial year 2009 are reliable, and the underlying transactions are legal and regular, Parliament approves the closure of its accounts. However, it makes a number of recommendations that need to be taken into account when the discharge is granted:

- **implementation of the budget:** Parliament notes that the utilisation rate for payment appropriations was very low, even if the Joint Undertaking is still in a start-up period;
- **Members' contributions:** Parliaments call on the Joint Undertaking to harmonise the presentation of members' contributions in the accounts under the guidance of the Commission;
- **internal control systems:** Parliament urges the Joint Undertaking to complete the implementation of its internal controls and financial information system and to include in its Financial Rules a specific reference to the powers of the Internal Audit Service of the Commission as its internal auditor. It considers that the role of the Commission as internal auditor should be to advise the Joint Undertaking on dealing with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations. In view of the size of its budget and the complexity of its tasks, the Joint Undertaking should consider establishing an audit committee, reporting directly to the Administrative Board;
- **lack of host agreement:** Parliament urges IMI to rapidly conclude a host agreement with Belgium.