Basic information

2012/2212(DEC) DEC - Discharge procedure	Procedure completed
2011 discharge: European Institute of Innovation and Technology (EIT) **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	GERBRANDY Gerben-Jan (ALDE)	29/02/2012
	Shadow rapporteur SARVAMAA Petri (PPE) AYALA SENDER Inés (S&D) STAES Bart (Verts/ALE) BRADBOURN Philip (ECR) SØNDERGAARD Søren Bo (GUE/NGL) ANDREASEN Marta (EFD) EHRENHAUSER Martin (NI)	

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
25/07/2012	Non-legislative basic document published	COM(2012)0436	Summary
13/09/2012	Committee referral announced in Parliament		

19/03/2013	Vote in committee		
22/03/2013	Committee report tabled for plenary	A7-0108/2013	Summary
16/04/2013	Debate in Parliament		
17/04/2013	Decision by Parliament	T7-0149/2013	Summary
17/04/2013	Results of vote in Parliament		
17/04/2013	End of procedure in Parliament		
16/11/2013	Final act published in Official Journal		

Technical information

Procedure reference	2012/2212(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/10621

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE497.830	23/01/2013	
Amendments tabled in committee		PE497.878	26/02/2013	
Committee report tabled for plenary, single reading		A7-0108/2013	22/03/2013	Summary
Text adopted by Parliament, single reading		T7-0149/2013	17/04/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05753/2013	01/02/2013	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2012)0436	25/07/2012	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0021/2013 OJ C 388 15.12.2012, p. 0110	11/09/2012	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2013/0582 OJ L 308 16.11.2013, p. 0248	Summary

2011 discharge: European Institute of Innovation and Technology (EIT)

2012/2212(DEC) - 11/09/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the European Institute of Innovation and Technology for the financial year 2011, together with the Institute's replies.

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

This audit concerned, amongst others, the annual accounts of the European Institute of Innovation and Technology (EIT).

In the Court's opinion, the **Institute's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2011** 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 considers that the **transactions underlying the annual accounts** of the Institute for the financial year ended 31 December 2011 are, in all material respects, **legal and regular**.

The report confirms that the Institute's 2011 budget amounted to EUR 65.85 million and that the number of staff employed by the Institute at the end of the year was 40.

The report also makes a series of observations on the budgetary and financial management of the Institute, accompanied by the latter's response. The main observations may be summarised as follows:

Court's comments:

- budget execution: the Court notes that the rate of execution of the Institute's budget for the audited period of financial autonomy was low;
- grants: grant agreements resulting in payments in 2011 were systematically signed by the European Commission (Directorate General for Education and Culture) and the Institute after most of the activities had already been implemented. Between September and December 2011, the Institute made final payments, amounting to EUR 4.2 million, related to three grant agreements that were signed well after the start of activities. This is an issue in terms of good financial management.

Institute's replies:

- the Institute states that there is a seasonal distribution of expenditures particularly as regards grants. Grant agreements were concluded at the beginning of the year, and consequently the pre-financing payments were executed prior to the Institute's financial autonomy. As grants represent about 90 % of the Institute's budget, their impact on budget execution is significant. Execution rates are considerably higher for the entire calendar year than for the audited period of financial autonomy. However, in order to improve budget execution, the Institute has introduced a monthly reporting on budget implementation and a review process for assessing in detail the implementation of the budget and the EIT work programme, thereby formulating corrective and reorientation actions in due course if needed, through the year;
- EIT acknowledges the Court' comment and is committed to decrease the gap between the starting date of the grant agreements and the date of signature.

Lastly, the Court of Auditors' report contains a summary of the **Institute's activities in 2011**. This is focused on the following:

- organisation of the first "EIT's Vision for the Future" stakeholder conference in Budapest (HU) on 14 April 2011;
- submission of the Institute's Draft Strategic Innovation Agenda (SIA) to the European Commission on 15 June 2011;

- participation of the Director of the Institute in the ‘Friends of EIT’ event hosted by the European Parliament with Commissioner Vassiliou and knowledge and innovation communities (KIC) CEOs on 21 September 2011;
- organisation of the first “Youth and Entrepreneurship” conference in Kraków (PL);
- first forum held in Budapest on 11 November 2011;
- joint contribution by the Chairman of the Institute’s Governing Board, the Institute’s Director and KIC CEOs at the 1st Innovation Convention organised by the European Commission, 5-6 December 2011;
- the number of KIC partners has increased steadily, from 75 in 2010 to around 400 in 2012. The Institute’s total contribution is around EUR 160 million (slightly less than 25% of the KICs’ total budget) for the period 2010-2012.

2011 discharge: European Institute of Innovation and Technology (EIT)

2012/2212(DEC) - 01/02/2013 - Document attached to the procedure

Having examined the revenue and expenditure accounts for the financial year 2011 and the balance sheet at 31 December 2011 of the European Institute of Innovation and Technology, as well as the Court of Auditors' report on the annual accounts of the Institute for the financial year 2011, accompanied by the Institute's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Executive Director of the Institute in respect of the implementation of the budget for the financial year 2011.

The observations in the Court of Auditors' report in relation to the financial year 2011 call for some comments by the Council, which may be summarised as follows:

- the Council welcomes the Court's opinion that, in all material respects, the Institute's annual accounts present fairly its financial position as at 31 December 2011 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of the Institute's Financial Regulation, and that the underlying transactions for that financial year are legal and regular;
- nevertheless, the Council notes with concern that the **Institute's budget was significantly overestimated** and that the rate of execution was low, in particular as regards staff expenditure. It urges the Institute to adopt a more realistic approach when planning its budget.

2011 discharge: European Institute of Innovation and Technology (EIT)

2012/2212(DEC) - 22/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge to be granted to the Director of the European Institute of Innovation and Technology in respect of the implementation of the budget for the financial year 2011.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Authority for the financial year 2011 are reliable and that the underlying transactions are legal and regular, Members approve the closure of the Institute’s accounts. However, they make a number of recommendations that need 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:

- **Financing, budget and financial management**: Members recall that accordance with its Foundation Regulation, the Institute's 2011 budget was financed by a subsidy granted by the Union, a contribution granted by the European Free Trade Association (EFTA) countries and a contribution granted by the host Member State. The Institute's overall budget for 2011 amounted to EUR 64 294 640.
- **Implementation rate of appropriations**: Members take note that the execution rate for the period of financial autonomy stands at 92.81% for commitment appropriations, 24.70% for payment appropriations against commitment and 11.48% for payment against the commitment. They call on the Institute to inform the discharge authority of the actions it will take to address this deficiency as the low execution rates show difficulties in budget planning and implementation. Members also observe that a high level of payment appropriations was carried over non-automatically from 2011 to 2012.

Lastly, Members made a series of observations as regards the accounting systems, procurement and recruitment procedures of this Agency.

2011 discharge: European Institute of Innovation and Technology (EIT)

2012/2212(DEC) - 17/04/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a decision on discharge to be granted to the Director of the European Institute of Innovation and Technology for the financial year 2011. The vote on the decision to grant discharge covers the closure of the accounts (in accordance with Annex VI, Article 5(1) of the European Parliament’s Rules of Procedure).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Institute for the financial year 2011 are reliable and that the underlying transactions are legal and regular, Parliament adopted a resolution containing a number of recommendations that need 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.

- **Financing, budget and financial management:** Parliament recalls that accordance with its Foundation Regulation, the Institute's 2011 budget was financed by a subsidy granted by the Union, a contribution granted by the European Free Trade Association (EFTA) countries and a contribution granted by the host Member State. The Institute's overall budget for 2011 amounted to EUR 64 294 640.

- **Implementation rate of appropriations:** Parliament takes note that the execution rate for the period of financial autonomy stands at 92.81% for commitment appropriations, 24.70% for payment appropriations against commitment and 11.48% for payment against the commitment. It calls on the Institute to inform the discharge authority of the actions it will take to address this deficiency as the low execution rates show difficulties in budget planning and implementation. It also observes that a high level of payment appropriations was carried over non-automatically from 2011 to 2012.
- **Recruitment procedures:** Parliament notes that by the end of 2011, 40 posts (23 temporary agents and 17 contract agents) had been filled, which shows an increase of 66 %, compared to 24 posts filled by the end of 2010.

Lastly, Parliament makes a series of observations as regards the accounting systems of this Agency.

2011 discharge: European Institute of Innovation and Technology (EIT)

2012/2212(DEC) - 17/04/2013 - Final act

PURPOSE: to grant discharge to the European Institute of Innovation and Technology for the financial year 2011.

NON-LEGISLATIVE ACT: Decision 2013/582/EU of the European Parliament on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology for the financial year 2011.

CONTENT: with the present decision, and in accordance with Article 319 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament grants discharge to the Director of the European Institute of Innovation and Technology in respect of its budget for the financial year 2011.

This decision is in line with the European Parliament's resolution adopted on 17 April 2013 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 17 April 2013).

A parallel decision, 2013/583/EU, adopted on the same day, approves the closure of the Institute’s accounts for the 2011 financial year.

2011 discharge: European Institute of Innovation and Technology (EIT)

2012/2212(DEC) - 25/07/2012 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2011, as part of the 2011 discharge procedure.

Analysis of the accounts of the **European Institute of Innovation and Technology (EIT)**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2011 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 European Institute of Innovation and Technology (EIT).

In 2011, the tasks and budget of this agency were as follows:

- **description of the EIT's tasks**: the EIT, which is located in Budapest, was set up by Regulation (EC) No 294/2008 of the European Parliament and of the Council with a view to increasing Europe’s economic growth and sustainable competitiveness by enhancing Member States’ and the Union’s innovative capacity. It seeks to achieve this goal by encouraging and integrating higher education, research and innovation of the highest standards.
- **The EIT's budget for the 2011 financial year**: the EIT’s budget for 2011, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:
    - § forecasted income budget: EUR 16 million;
    - § entitlements established: EUR 10 million;
    - § amounts received: EUR 10 million;
    - § outstanding: EUR 0 million.

The complete version of the EIT’s final accounts may be found at the following address: http://eit.europa.eu/about-us/budget-finance/finance/