





Basic information	
<b>2013/2250(DEC)</b> DEC - Discharge procedure	Procedure completed
2012 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems  <b>Subject</b> 8.70.03.07 Previous discharges	

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>CONT</b> Budgetary Control		RÜBIG Paul (PPE)	10/10/2013
			Shadow rapporteur STAVRAKAKIS Georgios (S&D) GERBRANDY Gerben-Jan (ALDE) STAES Bart (Verts/ALE) ANDREASEN Marta (ECR) DE JONG Dennis (GUE/NGL) VANHECKE Frank (EFD) EHRENHAUSER Martin (NI)	
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
<b>ITRE</b> Industry, Research and Energy		The committee decided not to give an opinion.		
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Budget		ŠEMETA Algirdas	

Key events			
Date	Event	Reference	Summary
26/07/2013	Non-legislative basic document published	COM(2013)0570 	Summary

22/10/2013	Committee referral announced in Parliament		
18/03/2014	Vote in committee		
20/03/2014	Committee report tabled for plenary	<a href="#">A7-0203/2014</a>	<a href="#">Summary</a>
02/04/2014	Debate in Parliament		
03/04/2014	Decision by Parliament	<a href="#">T7-0331/2014</a>	<a href="#">Summary</a>
03/04/2014	Results of vote in Parliament		
03/04/2014	End of procedure in Parliament		
05/09/2014	Final act published in Official Journal		

Technical information	
Procedure reference	2013/2250(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/14236

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE521.705</a>	28/01/2014	
Amendments tabled in committee		<a href="#">PE528.204</a>	26/02/2014	
Committee report tabled for plenary, single reading		<a href="#">A7-0203/2014</a>	20/03/2014	<a href="#">Summary</a>
Text adopted by Parliament, single reading		<a href="#">T7-0331/2014</a>	03/04/2014	<a href="#">Summary</a>
<b>Council of the EU</b>				
Document type	Reference	Date	Summary	
Document attached to the procedure	<a href="#">05851/2014</a>	05/02/2014	<a href="#">Summary</a>	
<b>European Commission</b>				
Document type	Reference	Date	Summary	
Non-legislative basic document	COM(2013)0570 	26/07/2013	<a href="#">Summary</a>	
<b>Other institutions and bodies</b>				
Institution/body	Document type	Reference	Date	Summary

CofA	Court of Auditors: opinion, report	N7-0005/2014 OJ C 369 17.12.2013, p. 0001	22/10/2013	<a href="#">Summary</a>
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Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Budget 2014/0621 OJ L 266 05.09.2014, p. 0311	<a href="#">Summary</a>

## 2012 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

2013/2250(DEC) - 26/07/2013 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2012, as part of the 2012 discharge procedure.

Analysis of the accounts of the **Artemis Joint Undertaking**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2012 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 Artemis Joint Undertaking.

In 2012, the tasks and budget of the Joint Undertaking were as follows:

- **description of the tasks of the Joint Undertaking:** the joint undertaking, which is located in Brussels, was set up in 2007 by [Council Regulation 74/2008/EC](#) for a period of 10 years. The main objective of the Joint Undertaking is to implement a 'Research Agenda' for the development of key technologies for Embedded Computing Systems across different application areas;
- **budget of the Joint Undertaking for the 2012 financial year:** the maximum indicative contribution of the Commission amounts to EUR 420 million paid out under the 7th Research Framework Programme for research and technological development until 2017. The cumulative unrecognised share of losses is EUR 5 million (95.2% ownership participation).

Please also consult [Artemis Joint Undertaking's final accounts](#).

## 2012 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

2013/2250(DEC) - 05/02/2014

Having examined the revenue and expenditure accounts for the financial year 2012 and the balance sheet at 31 December 2012 of the Artemis Joint Undertaking, and the report by the Court of Auditors on the annual accounts of the Joint Undertaking for the financial year 2012, 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 2012.

The observations in the Court of Auditors' report in relation to the financial year 2012 call for some comments by the Council, which may be summarised as follows:

- **Qualified opinion:** the Council regrets the Court's qualified opinion on the legality and regularity of the transactions underlying the accounts, based on the Court's assessment that the **Joint Undertaking's ex-post audit strategy does not provide sufficient assurance that this key control tool is functioning effectively**. The Council urges the Joint Undertaking to examine the audit strategies of the National Funding Authorities (NFAs), to ensure that all NFAs deliver their audit reports on time, and that they include all relevant information for the ex-post audit strategy to function effectively.

- **Excessive carry-overs:** in order to avoid excessive carry-overs, the Council calls on the Joint Undertaking to pay due attention to the proper implementation of commitment and payment appropriations in the course of the budgetary year and to decommit unused appropriations if necessary, in line with the budgetary principle of annuality.
- **Internal control systems:** the Council recognises the improvements achieved in 2012 by the Joint Undertaking in its financial, accounting and management control procedures. However, further work is still necessary, in particular regarding the implementation of the internal control standards and the financial verification of cost claims. The Council takes note of the Joint Undertaking's response concerning the internal audit capability. With regard to the Court's remarks on the internal audit function, the Council invites the Joint Undertaking to bring its own Financial Rules concerning internal audit arrangements, and in particular regarding the powers of the Commission's internal auditor, in line with the revised Framework Financial Regulation.
- **Research results:** the Council furthermore invites the Joint Undertaking to improve the monitoring and reporting of research results, in line with the provision of the relevant regulations of the Seventh Framework Programmes, as well as the reporting of reservations in its annual activity report, in order to address the shortcomings identified in the ex-post audit strategy.

## 2012 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

2013/2250(DEC) - 22/10/2013 - Court of Auditors: opinion, report

**PURPOSE:** presentation of the EU Court of Auditors' report on the annual accounts of the Artemis Joint Undertaking for the financial year 2012, together with the Joint Undertaking's reply.

**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 Artemis Joint Undertaking.

In the Court's opinion, **the Artemis Joint Undertaking's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2012** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its financial rules and the accounting rules adopted by the Commission's accounting officer.

The Court also considers that the **transactions underlying the annual accounts** of the Artemis Joint Undertaking for the financial year ended 31 December 2012 are, in all material respects, **partially legal and regular**. A **qualified opinion** was delivered.

The basis for this qualified opinion concerns the ex post audit strategy. The audit of project cost claims has been delegated to the national funding authorities of the Member States (NFAs). Artemis received audit reports from the NFAs covering approximately 45% of the costs related to completed projects. However, the Joint Undertaking did not assess the quality of these audits. Information on the audit strategies of all NFAs was insufficient. The Court was therefore not in a position to assess whether ex post audits provide sufficient assurance as to the legality and regularity of the underlying transactions.

The report confirms that the Artemis Joint Undertaking's budget for 2012 amounted to EUR 57 446 787 million in commitment appropriations and EUR 27 217 532 in payment appropriations.

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

### Court's comments:

- **internal audit capacity:** the Court stated that during 2012, the Joint Undertaking intensified its efforts to establish and implement effective financial, accounting and management control procedures. However, further work is needed, in particular regarding the internal control standards and the financial verification of cost claims.

### Joint Undertaking's replies:

- **qualified opinion:** in its reply, Artemis acknowledges the importance of the ex post audit strategy. However, the various financing schemes and national rules in place in the different Member States imply that ex post audit is only feasible on **completed projects**. In that perspective a new modification of Artemis ex post audit strategy was submitted to the Governing Board on December and finally approved on January 2013.

As regards the **activities of the Joint Undertaking in 2012**, the report refers to the Annual Activity Report 2012 which can be found at [http://www.artemis-ju.eu/reference\\_documents](http://www.artemis-ju.eu/reference_documents).

On an operation level, the Court's report states that the actual implementation rate and the anticipated value of calls for proposals together represent in 2012 EUR 206 million, or only 50.2% of the total budget.

## 2012 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

The European Parliament adopted a decision concerning the discharge to be granted to the Executive Director of the Artemis Joint Undertaking in respect of the implementation of the Joint Undertaking's budget for the financial year 2012. The vote on the discharge decision approved the closure of the accounts (in accordance with Annex VI, Article 5(1) of the Rules of Procedure of the European Parliament).

Noting that the Court of Auditors stated that the 2012 annual accounts of the Joint Undertaking fairly present, in all material respects, its financial position as of 31 December 2012 and the results of its operations and its cash flows for the year then ended, Parliament adopted by 480 votes to 64, with 18 abstentions, a resolution containing a series of recommendations that form an integral part of the discharge decision and as well as the general recommendations that appear in the [draft resolution on performance, financial management and control of EU agencies](#).

These recommendations are summarised as follows:

- **Qualified opinion:** Parliament was concerned that for the second year in a row, the Joint Undertaking received a **qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying the annual accounts** on the grounds that the Joint Undertaking was not in a position to assess whether the ex post audit strategy provides sufficient assurance with respect to the legality and regularity of the underlying transactions. It stressed that the Court of Auditors considers that the information available on the implementation of the Joint Undertaking's ex post audit strategy is not sufficient for the Court to conclude whether this key control tool is functioning effectively. Parliament noted that the audit of project cost claims has been delegated to the National Funding Authorities (NFAs) of the Member States, but that the administrative agreements signed with the NFAs do not include the practical arrangements for ex post audits. It reiterated that the Joint Undertaking should reinforce without delay the quality of its ex ante and ex post controls.
- **Budgetary and Financial Management:** Parliament recalled that, according to the audit report by the Court of Auditors, payments made in 2012 relating to certificates of acceptance of costs issued by the Member States' NFAs amounted to EUR 7.3 million, which represents 43% of total operational payments. It is concerned that the Joint Undertaking received audit reports from the NFAs covering approximately 45% of the costs relating to completed projects, that the Joint Undertaking did not assess the quality of those audits, that, by the end of April 2013, the Joint Undertaking had not received information on the audit strategies of all NFAs. It also noted that the Joint Undertaking's initial budget included operational commitment appropriations amounting to EUR 55.1 million and that at the end of the year, the Governing Board decided to reduce the operational appropriations budget to EUR 39.5 million. It regretted the fact, nevertheless, that the utilisation rate for operational payment appropriations only reached the level of 62% and reminded the Joint Undertaking of the need to implement concrete measures to attain budget equilibrium, consistent with the relevant operational procedures of the participating Member States.
- **Implementation rate and carryovers:** Parliament was concerned about the low implementation rate of the budget and, moreover, about the underlying activities of the Joint Undertaking. It emphasised that the deposits in bank accounts at the end of 2012 totalled EUR 17.2 million, representing 57% of the authorised payment appropriations. It ascertained from the Court of Auditors' report that although the Council Regulation setting up the Joint Undertaking envisaged a maximum total budget of EUR 410 million to cover operational expenditure, the actual implementation rate and the anticipated value of calls for proposals together represent EUR 206 million, or only 50.2% of the total budget.
- **Electronic Components and Systems for European Leadership (ECSEL) Joint Undertaking:** Parliament recalled the continued worries of the discharge authority concerning the low implementation rates of their budget and, moreover, the underlying activities of the Joint Undertakings associated with high cash balances. It recalled that it sought to increase and leverage private and public investments in research and innovation in two complementary domains of high importance for the industrial fabric in Europe. It noted that the Commission made a [proposal](#), in the context of the implementation of Horizon 2020, to combine Embedded computing systems (Artemis) and Nanoelectronics (ENIAC) into a single initiative and therefore, winding-up ARTEMIS and ENIAC Joint Undertakings before their normal end of life up to 31 December 2017. It stated that the new Joint Undertaking in the field of electronic components and systems called ECSEL ('Electronic Components and Systems for European Leadership') will take the form of a tripartite institutional Public-Private Partnership (PPP) with a dedicated legal entity. It recalled Parliament's request for a cost-benefit analysis of a merger that highlights its possible advantages and disadvantages. It regretted that the Commission proposal excludes the examination of the accounts and the revenue and expenditure of the ECSEL Joint Undertaking by the Court of Auditors. It stressed that the Court of Auditors has been the exclusive auditor for Joint Undertakings set up under Article 187 TFEU since 2002 and therefore building up extensive knowledge over those bodies that should not be wasted.

Parliament also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

It also invited the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure.

**JTI:** Parliament invited the Court of Auditors to **comprehensively analyse** the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks notably reputational – presented. It noted that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2.5 billion or about 1.8% of the Union general budget for the financial year 2012, while approximately EUR 618 million came from the general budget (cash contribution from the European Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings. It also recalled that the total Union contribution deemed necessary for the Joint Undertakings for their period of existence amounts to EUR 11.5 million.

It recalled that it had previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes.

Lastly, Parliament agreed with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment, in particular research areas but noted that it has taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs.

# 2012 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

2013/2250(DEC) - 20/03/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Paul RÜBIG (EPP, AT) in which it recommended the European Parliament to grant discharge to the Executive Director of the Artemis Joint Undertaking in respect of the implementation of the Joint Undertaking's budget for the financial year 2012.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Undertaking for the financial year 2012 are reliable, and that the underlying transactions are legal and regular, Members approved the closure of the Joint Undertaking'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](#).

- **Qualified opinion:** Members were concerned that for the second year in a row, the Joint Undertaking received a **qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying the annual accounts** on the grounds that the Joint Undertaking was not in a position to assess whether the ex post audit strategy provides sufficient assurance with respect to the legality and regularity of the underlying transactions. They stressed that the Court of Auditors considers that the information available on the implementation of the Joint Undertaking's ex post audit strategy is not sufficient for the Court to conclude whether this key control tool is functioning effectively. Members noted that the audit of project cost claims has been delegated to the National Funding Authorities (NFAs) of the Member States, but that the administrative agreements signed with the NFAs do not include the practical arrangements for ex post audits. They reiterated that the Joint Undertaking should reinforce without delay the quality of its ex ante and ex post controls.
- **Budgetary and Financial Management:** Members recalled that, according to the audit report by the Court of Auditors, payments made in 2012 relating to certificates of acceptance of costs issued by the Member States' NFAs amounted to EUR 7.3 million, which represents 43% of total operational payments. They are concerned that the Joint Undertaking received audit reports from the NFAs covering approximately 45% of the costs relating to completed projects, that the Joint Undertaking did not assess the quality of those audits, that, by the end of April 2013, the Joint Undertaking had not received information on the audit strategies of all NFAs. They also noted that the Joint Undertaking's initial budget included operational commitment appropriations amounting to EUR 55.1 million and that at the end of the year, the Governing Board decided to reduce the operational appropriations budget to EUR 39.5 million. They regretted the fact, nevertheless, that the utilisation rate for operational payment appropriations only reached the level of 62% and reminded the Joint Undertaking of the need to implement concrete measures to attain budget equilibrium, consistent with the relevant operational procedures of the participating Member States.
- **Implementation rate and carryovers:** Members were concerned about the low implementation rate of the budget and, moreover, about the underlying activities of the Joint Undertaking. They emphasised that the deposits in bank accounts at the end of 2012 totalled EUR 17.2 million, representing 57% of the authorised payment appropriations. They ascertained from the Court of Auditors' report that although the Council Regulation setting up the Joint Undertaking envisaged a maximum total budget of EUR 410 million to cover operational expenditure, the actual implementation rate and the anticipated value of calls for proposals together represent EUR 206 million, or only 50.2% of the total budget.

Members also made a series of observations on transfers, procurement and recruitment procedures as well as comments on internal controls.

They also invited the Court of Auditors to monitor the Joint Undertaking's policies as regards the management and prevention of conflicts of interests by drafting a Special Report on the matter by the next discharge procedure.

**JTI:** Members invited the Court of Auditors to **comprehensively analyse** the JTIs and the other joint undertakings in a separate report in light of the substantial amounts involved and the risks notably reputational – presented. Members noted that the Joint Undertakings' total 2012 forecasted budgeted income amounted to some EUR 2.5 billion or about 1.8% of the Union general budget for the financial year 2012, while approximately EUR 618 million came from the general budget (cash contribution from the European Commission) and approximately EUR 134 million came from the industrial partners and members of the Joint Undertakings.

They recalled that Parliament has previously requested that the Court of Auditors draw up a special report on the capacity of the joint undertakings, together with their private partners, to ensure added value and efficient execution of Union research, technological development and demonstration programmes.

Members agreed with the Court of Auditors' conclusion that the JTIs have been set up to support long-term industrial investment, in particular research areas but noted that it has taken on average two years to grant financial autonomy to a JTI, with the Commission usually remaining responsible for one third of the expected operational lifetime of the JTIs.

# 2012 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

2013/2250(DEC) - 03/04/2014 - Final act

PURPOSE: to grant discharge to the Artemis Joint Undertaking for the financial year 2012.

NON-LEGISLATIVE ACT: Decision 2014/621/EU of the European Parliament on discharge in respect of the implementation of the budget of the Artemis Joint Undertaking for the financial year 2012.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the Artemis Joint Undertaking in respect of its budget for the financial year 2012.

This decision is in line with the European Parliament's resolution adopted on 3 April 2014 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 3 April 2014).

Amongst the main observations made, Parliament made a number of **cross-cutting comments as regards all the Joint Undertakings** (JUs) and invited the Court of Auditors to conduct a detailed analysis of the JUs in a separate report in light of the substantial amounts involved and the risks - notably reputational - presented. It stressed that such assessment has an urgent character as regards Artemis and ENIAC Joint Undertakings.