Basic information

2014/2125(DEC) DEC - Discharge procedure	Procedure completed
2013 discharge: European Institute of Innovation and Technology (EIT) **Subject** 8.70.03.03 2013 discharge	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	CONT Budgetary Control	CZARNECKI Ryszard (ECR)	20/05/2015
		Shadow rapporteur ZDECHOVSKÝ Tomáš (PPE) VAUGHAN Derek (S&D) ALI Nedzhmi (ALDE) DE JONG Dennis (GUE/NGL) JÁVOR Benedek (Verts/ALE) VALLI Marco (EFDD)	
European Commission	**Commission DG**	**Commissioner**	
	Budget	GEORGIEVA Kristalina	

Key events

Date	Event	Reference	Summary
30/07/2014	Non-legislative basic document published	COM(2014)0510	Summary
20/10/2014	Committee referral announced in Parliament		
23/03/2015	Vote in committee		
30/03/2015	Committee report tabled for plenary	A8-0077/2015	Summary
28/04/2015	Debate in Parliament		
29/04/2015	Decision by Parliament	T8-0146/2015	Summary

29/04/2015	Results of vote in Parliament		
29/04/2015	Report referred back to committee		
22/09/2015	Vote in committee		
02/10/2015	Committee report tabled for plenary	A8-0282/2015	Summary
26/10/2015	Debate in Parliament		
27/10/2015	Decision by Parliament	T8-0371/2015	Summary
27/10/2015	Results of vote in Parliament		
27/10/2015	End of procedure in Parliament		
01/12/2015	Final act published in Official Journal		

Technical information

Procedure reference	2014/2125(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/03532

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE539.712	02/02/2015	
Amendments tabled in committee		PE539.780	06/03/2015	
Committee report tabled for plenary, single reading		A8-0077/2015	30/03/2015	Summary
Text adopted by Parliament, single reading		T8-0146/2015	29/04/2015	Summary
Committee draft report		PE557.298	02/07/2015	
Amendments tabled in committee		PE565.168	04/09/2015	
Committee report tabled for plenary, single reading		A8-0282/2015	02/10/2015	Summary
Text adopted by Parliament, single reading		T8-0371/2015	27/10/2015	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05304/2015	30/01/2015	Summary

European Commission

Document type	Reference	Date	Summary
	COM(2014)0510		

Non-legislative basic document		30/07/2014	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0086/2014 OJ C 442 10.12.2014, p. 0184	16/09/2014	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2015/2210
OJ L 314 01.12.2015, p. 0034 Summary

2013 discharge: European Institute of Innovation and Technology (EIT)

2014/2125(DEC) - 02/10/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the 2nd report by Ryszard **CZARNECKI** (ECR, PL) and called on the European Parliament to **grant to the Director of the** European Institute of Innovation and Technology (EIT) discharge **in respect of the implementation of the budget of the EIT Undertaking for the financial year 2013.**

Members called on Parliament to approve the closure of the EIT's accounts.

Legality and regularity of the underlying transactions: Members recalled that the Court of Auditors, in its report on the annual accounts of the EIT for the financial year 2013, found for the second consecutive year **no reasonable assurance on the legality and regularity of the grant transactions**. In the Court´s view the quality of the certificates was compromised as the certificates were issued by independent audit firms contracted by the grant beneficiaries, covering about 87% of the grant expenditure.

The EIT stated that the improved instructions resulted in an improvement of the quality of the audit certificates received in respect to 2013 grant transactions for which the final payments were made in 2014. Members recalled that the Institute introduced complementary ex post verifications for grant transactions as a second layer of assurance on the legality and regularity of grant transactions. They acknowledged that the Institute carried out "on the spot" audits covering around 40% of the grants paid under the 2013 Grant Agreements. They noted that these audits resulted in the recovery of EUR 263 239, out of the total audited amount of EUR 29 163 272 and that the detected error rate in the audited sample was 0.90 % and the residual error rate was 0.69%, which was below the materiality threshold of 2 %.

Procurement procedures: the committee noted from the Institute that it had improved its procurement procedures since 2013 and took a proactive approach after the detection of errors by the Court. Further to the consultancy assignment performed by the Institute's Internal Audit Capability (IAC), the EIT implemented a series of measures to improve procedures.

As the residual error rate in grant expenditure was 0.69%, the combined error rate for administrative and operational expenditure was around 0.5% of the total payments made in 2014.

KIC: Members ascertained that the Institute obtained the audit certificates on the costs of KIC complementary activities incurred in the period 2010-2014. They noted that the EIT carried out a review of the portfolio of KIC complementary activities to ensure that only the activities with a clear link to the KIC added value activities funded by the Institute were accepted.

Budgetary and financial management: the report noted that the Institute improved the planning and monitoring procedures related to the budget implementation. The EIT had significantly improved the absorption capacity of the first-wave KICs for the 2010-2014 period. Members recalled that the low budget implementation rate for Title I (staff expenditure) was mainly related to the high turnover of staff and the outstanding adoption of the regulations on salary adjustments.

Lastly, Members made a series of observations on internal audits.

2013 discharge: European Institute of Innovation and Technology (EIT)

2014/2125(DEC) - 29/04/2015 - Text adopted by Parliament, single reading

The European Parliament decided by 633 votes to 25, with 7 abstentions, to postpone its decision to grant discharge to the Director of the Institute of Innovation and Technology (EIT) for the financial year 2013.

Parliament **postponed the closure of the Institute's accounts** for the financial year 2013.

It pointed out the **basis for a qualified opinion on the legality and regularity of the underlying transactions** for the second consecutive year. It noted that about 87% of grant expenditure claimed by the beneficiaries is covered by certificates issued by independent audit firms, which are contracted by the beneficiaries themselves and their partners. It regretted that although the Institute continued to make efforts to implement effective ex ante verifications and give better guidance to the independent audit firms, the Court found their quality as insufficient. Members called on the Institute to address this issue and to inform the discharge authority about the steps taken by **1 September 2015**.

It pointed out that payments in respect of two framework contracts concluded in 2010 and 2012 using a negotiated procedure and amounting to EUR 770 000 were found as irregular as according to the audit, the use of a negotiated procedure was not justified. The combined error rate related to grant issues and framework contract payments is between 2% and 3% of the Institute's total 2013 expenditure.

Parliament regretted that according to the Court's report, the complementary activities of the KICs as beneficiaries of the Institute's grants will not be audited before 2015. It called on the Institute to inform the discharge authority on the state of play regarding the abovementioned audit by 1 September 2015.

Parliament made a series of general recommendations that appear in the resolution on performance, financial management and control of EU agencies:

- **Institute's financial statement**: Parliament noted that the final budget of the Institute for the financial year 2013 was EUR 142 197 740 for commitment appropriations, representing an increase of 47.05% compared to 2012. The overall contribution of the Union to the Institute's budget for 2013 amounted to EUR 93 462 181, representing an increase of 36.05% compared to 2012.
- **Commitments and carry-overs**: Parliament noted from the Institute's final accounts that its budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 96.97% and that the execution rate of payments against payment appropriations was 96.86%. It noted with concern that the budget implementation rate for staff expenditure was low at 74% as well as administrative expenditure. It acknowledged that these carry-overs mainly concerned invoices not yet received and ongoing IT projects. The execution rate was relatively low at 82% due to KICs not fully absorbing the available funding for 2012 activities.

Lastly, Parliament also made a series of observations on internal audits and called on the Institute to provide the discharge authority with a detailed report on the implementation of the IAS' recommendations.

2013 discharge: European Institute of Innovation and Technology (EIT)

2014/2125(DEC) - 27/10/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 557 to 110, with 24 abstentions, a decision to **grant to the Director of the European Institute of Innovation and Technology (EIT) discharge in respect of the implementation of the budget of the EIT Undertaking for the financial year 2013.**

The vote on the discharge decision covers the closure of the Institute's accounts.

Legality and regularity of the underlying transactions: Parliament recalled that the Court of Auditors, in its report on the annual accounts of the EIT for the financial year 2013, found for the second consecutive year **no reasonable assurance on the legality and regularity of the grant transactions**. In the Court´s view the quality of the certificates was compromised as the certificates were issued by independent audit firms contracted by the grant beneficiaries, covering about 87% of the grant expenditure.

The EIT stated that the improved instructions resulted in an improvement of the quality of the audit certificates received in respect to 2013 grant transactions for which the final payments were made in 2014.

Parliament recalled that the Institute introduced complementary ex post verifications for grant transactions as a second layer of assurance on the legality and regularity of grant transactions. It acknowledged that the Institute carried out "on the spot" audits covering around 40% of the grants paid under the 2013 Grant Agreements. It noted that these audits resulted in the recovery of EUR 263 239, out of the total audited amount of EUR 29 163 272 and that the detected error rate in the audited sample was 0.90 % and the residual error rate was 0.69%, which was below the materiality threshold of 2 %.

Procurement procedures: Parliament noted from the Institute that it had improved its procurement procedures since 2013 and took a proactive approach after the detection of errors by the Court. Further to the consultancy assignment performed by the Institute's Internal Audit Capability (IAC), the EIT implemented a series of measures to improve procedures.

As the residual error rate in grant expenditure was 0.69%, the combined error rate for administrative and operational expenditure was around 0.5% of the total payments made in 2014.

Staff management: Parliament noted the improvements in the vacancy management, the establishment of an appraisal and re-classification system, providing a better career perspective and strengthening middle management level. It took note that the four remaining vacant posts are to be gradually filled during 2015.

KIC: Parliament ascertained that the Institute obtained the audit certificates on the costs of KIC complementary activities incurred in the period 2010-2014. It noted that the EIT carried out a review of the portfolio of KIC complementary activities to ensure that only the activities with a clear link to the KIC added value activities funded by the Institute were accepted.

Budgetary and financial management: overall, Parliament noted that the Institute improved the planning and monitoring procedures related to the budget implementation. The EIT had significantly improved the absorption capacity of the first-wave KICs for the 2010-2014 period. It recalled that the low budget implementation rate for Title I (staff expenditure) was mainly related to the high turnover of staff and the outstanding adoption of the regulations on salary adjustments.

Lastly, Parliament made a series of observations on internal audits.

2013 discharge: European Institute of Innovation and Technology (EIT)

2014/2125(DEC) - 30/01/2015

Having examined the revenue and expenditure accounts for the financial year 2013 and the balance sheet at 31 December 2013 of the European Institute of Innovation and Technology (EIT), as well as the Court of Auditors' report on the annual accounts of the Institute for the financial year 2013, accompanied by the Institute's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Director of the Institute in respect of the implementation of the budget for the financial year 2013.

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 2013 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 the accounting rules adopted by the Commission's accounting officer, and that the underlying transactions for that financial year are legal and regular with the exception of the matters described below.

The Council made the following observations regarding:

- **qualified opinion**: the Council regrets that the Court, as in the previous year, had to issue a **qualified opinion** regarding weaknesses detected in the grant transactions authorised by the Institute. It calls on the Institute to concentrate even more on reinforcing its *ex-ante* verifications in order to further increase assurance on the legality and regularity of grant expenditure. It notably urges the Institute to take all necessary measures to improve the instructions provided to independent certifying auditors in that respect and thus to further enhance the level of assurance obtained from the audit certificates issued by them;
- **procurement**: the Council is also concerned about the Court's qualified opinion regarding errors in the Institute's procurement procedures. It calls on the Institute to strictly comply with public procurement rules and to limit the use of a negotiated procedure to clearly justified cases;
- **carry-overs**: the Council asks the Institute to improve its financial programming and monitoring of the budget implementation in order to improve budget execution and to reduce the level of appropriations carried over to the next financial year to the strict minimum.

2013 discharge: European Institute of Innovation and Technology (EIT)

2014/2125(DEC) - 30/03/2015 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Ryszard CZARNECKI (ECR, PL) on discharge in respect of the implementation of the budget of the European Institute of Innovation and Technology (EIT) for the financial year 2013.

It called on the European Parliament to **postpone its decision on granting the Director of the EIT** discharge in respect of the implementation of the Institute’s budget for the financial year 2013.

Members also called on the Parliament to **postpone the closure of the Institute’s accounts** for the financial year 2013.

They pointed out the basis for a qualified opinion on the legality and regularity of the underlying transactions for the second consecutive year. They noted that about 87% of grant expenditure claimed by the beneficiaries is covered by certificates issued by independent audit firms, which are contracted by the beneficiaries themselves and their partners. They regretted that although the Institute continued to make efforts to implement effective ex ante verifications and give better guidance to the independent audit firms, the Court found their quality as insufficient. They called on the Institute to address this issue and to inform the discharge authority about the steps taken by **1 September 2015**.

Members pointed out that payments in respect of two framework contracts concluded in 2010 and 2012 using a negotiated procedure and amounting to EUR 770 000 were found as irregular as according to the audit, the use of a negotiated procedure was not justified. The combined error rate related to grant issues and framework contract payments is between 2% and 3% of the Institute’s total 2013 expenditure.

They regretted that according to the Court’s report, the complementary activities of the KICs as beneficiaries of the Institute’s grants will not be audited before 2015. They called on the Institute to inform the discharge authority on the state of play regarding the abovementioned audit by 1 September 2015.

Members made a number of general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

Institute's financial statement: Members noted that the final budget of the Institute for the financial year 2013 was EUR 142 197 740 for commitment appropriations, representing an increase of 47.05% compared to 2012. The overall contribution of the Union to the Institute's budget for 2013 amounted to EUR 93 462 181, representing an increase of 36.05% compared to 2012.

Commitments and carry-overs: Members noted from the Institute's final accounts that its budget monitoring efforts during the financial year 2013 resulted in a budget implementation rate of 96.97% and that the execution rate of payments against payment appropriations was 96.86%. They noted with concern that the budget implementation rate for staff expenditure was low at 74% as well as administrative expenditure. They acknowledged that these carry-overs mainly concerned invoices not yet received and ongoing IT projects. The execution rate was relatively low at 82% due to KICs not fully absorbing the available funding for 2012 activities.

Members also made a series of observations on internal audits.

2013 discharge: European Institute of Innovation and Technology (EIT)

2014/2125(DEC) - 16/09/2014 - 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 (EIT) for the financial year 2013, 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).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the Institute, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2013;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Court's opinion, the Institute's annual accounts present fairly, in all material respects, its financial position as at 31 December 2013 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer.

Basis for a qualified opinion on the legality and regularity of the underlying transactions: the Court noted that no reasonable assurance on the legality and regularity of grant transactions can be made. In 2013, the Institute made final payments and clearings of pre-financings (transactions) for grants amounting to EUR 84.1 million (2012 activities). Grant expenditure represents some 97% of total 2013 expenditure. All grant transactions are subject to review by the Commission before authorisation by EIT. The Institute itself continued to make considerable efforts to implement effective ex ante verifications with the aim of providing reasonable assurance on the legality and regularity of grant transactions. Supporting documents obtained from the KICs and their partners were reviewed by EIT in the case of particular risks identified.

The Court found however that, although the quality of the audit certificates is improving, in part due to better guidance, there is room for further improvement in the work of the independent audit firms, in general.

In order to have a second layer of assurance on the legality and regularity of grant transactions, EIT contracted complementary ex post verifications for grant transactions that were carried out by an independent audit firm. On the basis of the errors detected by the ex post verifications, EIT decided in 2014 to recover a total amount of EUR 575 593, corresponding to 3% of the audited 2012 grants.

The Court noted **significant material procurement errors**. Payments amounting to some EUR 665 000 and EUR 105 000, in respect of two framework contracts which had been concluded in 2010 and 2012 using a negotiated procedure, were made in 2013. From the audit it emerged that the **use of a negotiated procedure was not justified**, the resulting payments are therefore irregular.

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:

The Court's comments:

- **legality and regularity of transactions**: the Court noted that the Framework Partnership Agreements (FPA) with the three KICs stipulate that the EIT financial contribution may cover up to 25% of the KIC's global expenditure over the first four years, from 1 January 2010 to December 2013. According to the figures reported by the KICs, this ceiling was respected by all three KICs. However, as these figures will not be audited before 2015, there is no appropriate audit evidence that the EIT funding did not exceed this 25% ceiling;
- **budgetary management**: in 2013, the budget implementation rate was low, at 74% of the EU contributions for staff expenditure, which is mainly related to the high turnover of staff and the outstanding adoption of the regulations on salary adjustments. As regards carry-overs under administrative expenditure, these mainly concerned invoices not yet received and ongoing IT projects and operational expenditure (KIC grants).

The Institute's replies:

- **qualified opinion**: the EIT is committed to further improve the instructions provided to certifying auditors in order to remedy the weaknesses identified by the Court of Auditors and to increase the level of assurance obtained from audit certificates. In accordance with the ex-post audit strategy of the EIT, KIC Partners to be audited are selected primarily on the basis of a risk assessment for maximum efficiency of limited resources. However, in order to be in a position to provide a representative error rate, the EIT selects part of the sample on a random basis. This ensures a more balanced coverage of KIC Partners over the duration of the Framework Partnership Agreements. As regards **Grant Agreements** 2012, while the overall error rate was indeed 3% of the audited grants, as reported by the Court of Auditors, the detected error rate in the random sample was only 1.37%. The detected error rate is by definition not representative as it remained below the materiality threshold of 2%. As for **procurement**, the EIT has taken a proactive approach in order to launch immediate mitigating actions in the area of procurement (extensive revision of the internal procedures, circuits and templates to fully comply with the respective public procurement rules, with special attention to the sound planning and estimation of needs; the use of Commission framework contracts and procurement procedures to award new service contracts; training for EIT staff on procurement;
- **regularity of transactions**: the EIT stated that it will obtain audit certificates on costs of KIC complementary activities in the first quarter of 2015 and compliance with the 25% ceiling set out in the Framework Partnership Agreements will be verified on the basis of final figures in the first half of 2015. If the 25% ceiling is not met, the corresponding amount will be recovered from the KIC(s);
- **budgetary management**: the EIT stated that the overall implementation rate of commitment appropriations for staff expenditure was 84%. While it is true that the implementation rate of EU contribution was 74%, as reported by the Court of Auditors, it is important to note that 100%.

Lastly, the Court of Auditors' report contains a **summary of the Institute's activities in 2013**. This is focused on the following:

Budget: EUR 142.2 million in commitment appropriations.

Activities:

- organisation of EIT Forum meetings with KICs (a platform created to establish regular dialogue between the Director of the Institute and the KIC CEOs);
- financing of the KIC: allocation in the year 2014 of a total of EUR 180 million budget to the funding of KIC Value Added Activities plus a supplementary budget allocation to the KICs of EUR 40 million for 2014 to be allocated separately and equally split on the basis, inter alia, of the follow-up of strategic recommendations;
- management of three KICs in the year 2013 a total budget of EUR 125 615 015 for EIT funding of KIC Value Added Activities and a budget of EUR 750 535 096 for non-EIT Funding of KAVA activities and complementary activities;
- creation of KIC partners involved in the three KICs in 2013 reached a maximum of 487 organisations from Climate-KIC (187), EIT ICT Labs (105), and KIC InnoEnergy (195);
- setting Key Performance Indicators;
- organisation of 'Fostering Innovation and Strengthening Synergies within the EU' Conference in Dublin (IE);
- publication of 'Analysis of Synergies fostered by the EIT in the EU Innovation Landscape' study;
- roundtable of Entrepreneurs on the topic 'Matching Entrepreneurship with Venture Capital' was organised in Grundlsee (AT);
- launch of the EIT Alumni Community on 11 November in Budapest (HU);
- dissemination of a larger number of success stories derived from the implementation of KIC activities.

2013 discharge: European Institute of Innovation and Technology (EIT)

2014/2125(DEC) - 30/07/2014 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2013, as part of the 2013 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 2013 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).

The document contains the figures on which the discharge procedure is based.

Discharge procedure of the EU agencies: the EU Budget finances a wide range of policies and programmes throughout the EU. In accordance with the priorities set by the European Parliament and the Council in the multi-annual financial framework (MFF), the European Commission carries out specific programmes, activities and projects in the field with the technical support of some specialised agencies.

The consolidated annual accounts of the EU provide information on the activities of the institutions, agencies and other bodies of the EU from a budgetary and accrual accounting perspective.

The consolidated reports on the implementation of the general budget of the EU include the budget implementation of all Institutions. **Agencies do not have a separate budget inside the EU budget**; and they are partially financed by a Commission budget subsidy.

Each agency is subject to its own discharge procedure.

EIT: in 2013, 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. The Institute's objective is to contribute to sustainable European economic growth and competitiveness by reinforcing the innovation capacity of the Member States and the European Union. The Institute shall: (i) raise awareness among potential partner organisations and encourage their participation in its activities; (ii) select and designate Knowledge and Innovation Communities (KICs) in the priority fields; (iii) mobilise funds from public and private sources to encourage the innovation process; (iv) encourage the recognition in the Member States of degrees and diplomas which are awarded by higher education institutions that are partner organisations,…
- **EIT's budget for the 2013 financial year**: the EIT's budget for 2013, as presented in the Commission document on the consolidated annual accounts of the European Union, gives the following figures:

  § **Commitment appropriations** :

  - **committed** : EUR 142 million;

  - **paid** : EUR 138 million;

  - **carried-over** : EUR 1 million.

  § **Payment appropriations** :

  - **committed** : EUR 106 million;

  - **paid** : EUR 102 million;

  - **carried-over** : EUR 2 million.

Please refer also to the final accounts of the EIT.

2013 discharge: European Institute of Innovation and Technology (EIT)

2014/2125(DEC) - 27/10/2015 - Final act

PURPOSE: to grant discharge to the European Institute of Innovation and Technology (EIT) for the financial year 2013.

NON-LEGISLATIVE ACT: Decision (EU) 2015/2210 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 2013.

CONTENT: with the present decision, 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 2013 and approved the closure of the Institute's accounts in a parallel decision (Decision (EU) 2015/2211).

This decision is in line with the European Parliament's second resolution adopted on 27 October 2015 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 27 October 2015).

Amongst the main observations made, Parliament expressed **reservations about the legality and regularity of the underlying transactions**. It regretted that for the second consecutive year no reasonable assurance on the legality and regularity of the grant transactions and called on the Institute to strengthen its audit methods and checks on the grant transactions.