












# Procedure file

Basic information		
DEC - Discharge procedure	2016/2198(DEC)	Procedure completed
2015 discharge: IMI 2 Joint Undertaking		
Subject 8.70.03.05 2015 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 Budgetary Control	 <a href="#">POCHE Miroslav</a>	04/08/2016
		Shadow rapporteur	
		 <a href="#">HAYES Brian</a>	
		 <a href="#">MARIAS Notis</a>	
		 <a href="#">GERBRANDY Gerben-Jan</a>	
		 <a href="#">TARAND Indrek</a>	
		 <a href="#">VALLI Marco</a>	
		 <a href="#">KAPPEL Barbara</a>	
		Committee for opinion	Rapporteur for opinion
	 Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
	 Industry, Research and Energy	The committee decided not to give an opinion.	
European Commission	Commission DG <a href="#">Budget</a>	Commissioner GEORGIEVA Kristalina	

Key events			
11/07/2016	Non-legislative basic document published	COM(2016)0475	Summary
04/10/2016	Committee referral announced in Parliament		
23/03/2017	Vote in committee		
28/03/2017	Committee report tabled for plenary	<a href="#">A8-0083/2017</a>	Summary
26/04/2017	Debate in Parliament		
27/04/2017	Results of vote in Parliament		

27/04/2017	Decision by Parliament	<a href="#">T8-0192/2017</a>	Summary
27/04/2017	End of procedure in Parliament		
29/09/2017	Final act published in Official Journal		

### Technical information

Procedure reference	2016/2198(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/07530

### Documentation gateway

Non-legislative basic document	COM(2016)0475	11/07/2016	EC	Summary
Court of Auditors: opinion, report	N8-0148/2016 <a href="#">OJ C 473 16.12.2016, p. 0057</a>	18/10/2016	CofA	Summary
Committee draft report	<a href="#">PE593.972</a>	01/02/2017	EP	
Supplementary non-legislative basic document	<a href="#">05875/2017</a>	07/02/2017	CSL	Summary
Amendments tabled in committee	<a href="#">PE599.880</a>	06/03/2017	EP	
Committee report tabled for plenary, single reading	<a href="#">A8-0083/2017</a>	28/03/2017	EP	Summary
Text adopted by Parliament, single reading	<a href="#">T8-0192/2017</a>	27/04/2017	EP	Summary

### Final act

Budget 2017/1741  
[OJ L 252 29.09.2017, p. 0356](#) Summary

## 2015 discharge: IMI 2 Joint Undertaking

**PURPOSE:** presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2015, as part of the 2015 discharge procedure.

Analysis of the accounts of the IMI 2 Joint Undertaking.

**CONTENT:** the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

The EU's operational expenditure of these institutions takes different forms, depending on how the money is paid out and managed.

From 2014 onwards, the Commission classifies its expenditure as follows:

- Direct management: the budget is implemented directly by the Commission services.
- Indirect management: the Commission confers tasks of implementation of the budget to bodies of EU law or national law, such as the EU agencies.
- Shared management: under this method of budget implementation tasks are delegated to Member States. About 80 % of the expenditure falls under this management mode covering such areas as agricultural spending and structural actions.

This Commission document concerns the EU's consolidated accounts for the year 2015 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the IMI 2 JU, with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council

recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the IMI 2 JU.

IMI 2 Joint Undertaking: the IMI 2 Joint undertaking, which is located in Brussels, was set up by [Council Regulation \(EU\) No 557/2014](#), for a period up to 31 December 2024. The IMI 2 Joint Undertaking aims to increase clinical trial success rates of priority medicines identified by the World Health Organization and where possible, reduce the time to reach clinical proof of concept in medicine development for certain diseases such as cancer and Alzheimer's disease.

As regards the JUs accounts, these are presented in detail in the document published by the Joint Undertaking (please refer to the [final accounts of the IMI 2 JU](#)).

## 2015 discharge: IMI 2 Joint Undertaking

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**PURPOSE:** presentation of the EU Court of Auditors report on the annual accounts of the Innovative Medicines Initiative (IMI) 2 Joint Undertaking for the financial year 2015, together with the Joint Undertakings 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 focused on the annual accounts of the IMI 2 Joint Undertaking (initiative on innovative medicine). To recall, under Horizon 2020, the objective of the IMI 2 Joint Undertaking is to improve health by speeding up the development of, and patient access to, innovative medicines, particularly in areas where there is an unmet medical or social need. It does this by fostering collaboration between the key players involved in healthcare research, including universities, the pharmaceutical and other industries, small- and medium-sized enterprises (SMEs), patient organisations and medicines regulators.

**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 IMI 2 Joint Undertaking, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015;
- the legality and regularity of the transactions underlying those accounts.

**Opinion on the reliability of the accounts:** in the Courts opinion, the Joint Undertakings annual accounts present fairly, in all material respects, its financial position as at 31 December 2015, 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 rules adopted by the Commissions accounting officer.

**Opinion on the legality and regularity of the transactions underlying the accounts:** in the Courts opinion, the transactions underlying the annual accounts for the year ended 31 December 2015 are, in all material respects, legal and regular.

The audit also revealed the following points:

- **presentation of the accounts:** the Court stated that the final annual accounts issued by the IMI Joint Undertaking do not include the budget outturn account nor the reconciliation table to the economic outturn account. However, both items are published in the Joint Undertakings report on budgetary and financial management 2015, although the level of information differs from that given by most other Joint Undertakings, which demonstrates the need for clear Commission guidelines for the Joint Undertakings budgetary reporting;
- **internal audits:** the Court noted that in February 2015, the Commissions Internal Audit Service (IAS) concluded an audit on ex-ante controls for grant management at the IMI 2 Joint Undertaking. The IAS recommended that the Joint Undertaking should make its ex-ante controls more effective by using a more risk-based and balanced approach, and should reinforce control procedures for the Certificates on Financial Statements.

**Joint Undertakings reply:** the JU noted that since September 2015, it has outsourced the function of Accounting Officer to the Accounting Officer of the European Commission. The different level of details is based on the Commission reporting practices. IMI JU strongly supported the Courts recommendation on establishing guidelines for the budget reporting.

Moreover, the JU has progressed in the implementation of the actions agreed with the IAS as regards the internal audit, specified in the Action plan approved on 13 March 2015. The IAS confirmed that IMI management implemented a recommendation on risk-based approach to ex-ante controls by means of a risk assessment of the system in place and by streamlining internal procedures.

## 2015 discharge: IMI 2 Joint Undertaking

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Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the Innovative Medicines Initiative 2 Joint Undertaking (IMI 2), as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2015, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommended 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 2015.

The Council welcomed the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly its financial position as at 31 December 2015 and the results of its operations and its 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 2015 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- financial programming: the Council called on the Joint Undertaking to pay due attention to the proper programming and implementation of commitment and payment appropriations in the course of the budgetary year and to decommit unused appropriations if necessary;
- in-kind contributions: the Council regretted that a large share of the amount entered into the accounts was based on value estimates and urged the Joint Undertaking to obtain from its members the reports on the value of their in-kind contributions on time;
- conflicts of interest: the Council invited the Joint Undertaking to incorporate in its procedures a declaration of absence of a conflict of interest as stated in the Commission's guidelines.

## 2015 discharge: IMI 2 Joint Undertaking

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The Committee on Budgetary Control adopted the report by Miroslav POCHE (S&D, CZ) on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative (IMI2) Joint Undertaking for the financial year 2015.

The committee called on the European Parliament to grant the joint undertakings Executive Director discharge in respect of the implementation of the joint undertakings budget for the financial year 2015.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2015, Members called on Parliament to approve the closure of the joint undertakings accounts.

They made, however, a number of recommendations that need to be taken into account when the discharge is granted. They may be summarised as follows:

Financial management: the final budget of the Joint Undertaking in 2015 available for implementation included commitment appropriations of EUR 315 269 000 and payment appropriations of EUR 195 411 000. Budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 91.04 %, representing a decrease of 1.34 % compared to the year 2014. The execution rate was at 72.68 %, representing a decrease of 1.22 % compared to 2014 mainly due to delays in the negotiations for several Horizon 2020 projects.

Members welcomed the fact that the Commission presented clear guidelines for the budgetary reporting and financial management of IMI2 on 20 December 2016 following the Courts recommendation.

Other observations: the report also contained a series of observations on the anti-fraud strategy and the prevention and management of conflicts of interests.

Members regretted to discover that one case of suspicion of fraud was submitted to the European Anti-Fraud Office (OLAF) for assessment and the latter decided not to open an investigation. They highlighted the important role of whistle-blowers and internal auditing procedures in detecting irregularities.

The Joint Undertaking is encouraged to continue in its effort towards higher participation of SMEs in its projects. 15.6 % of beneficiaries in 2015 were SMEs, which represents a slight decrease in comparison to 2014.

## 2015 discharge: IMI 2 Joint Undertaking

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PURPOSE: to grant discharge to the IMI 2 Joint Undertaking for the financial year 2015.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1741 of the European Parliament on discharge in respect of the implementation of the budget of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2015.

CONTENT: with the present decision, the European Parliament grants discharge to the Executive Director of the Innovative Medicines Initiative 2 Joint Undertaking for the financial year 2015.

This decision is in line with the European Parliament's resolution adopted on 27 April 2017 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 April 2017).

Amongst Parliaments main observations in the resolution accompanying the discharge decision, the latter noted that the updated Anti-Fraud Strategy of the Joint Undertaking was adopted by the governing board in July 2015 in order to take into account the changes introduced by Horizon 2020. It also took note that the Joint Undertaking published an in-depth report on the socioeconomic impact of IMI projects in May 2016, as requested by the discharge authority.

## 2015 discharge: IMI 2 Joint Undertaking

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The European Parliament decided to grant the Executive Director of the [Innovative Medicines Initiative 2](#) (IMI2) Joint Undertaking discharge in respect of the implementation of the Joint Undertakings budget for the financial year 2015.

Based on the statement of assurance provided by the Court of Auditors concerning the reliability of the accounts and the legality and regularity of the underlying transactions, it decided to approve the closure of the accounts of the Joint Undertaking for the same financial year.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Joint Undertakings annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 501 votes to 106 with 8 abstentions, a resolution containing a series of recommendations which form an integral part of the decision on discharge.

Financial management: the final budget of the Joint Undertaking in 2015 available for implementation included commitment appropriations of EUR 315 269 000 and payment appropriations of EUR 195 411 000. Members noted that:

- budget monitoring efforts during the financial year 2015 resulted in a budget implementation rate of 91.04 %, representing a decrease of 1.34 % compared to the year 2014. The execution rate was at 72.68 %, representing a decrease of 1.22 % compared to 2014 mainly due to delays in the negotiations for several Horizon 2020 projects;
- in the case of operational activities, the implementation rate was 91.17 % for commitment appropriations and 72.74 % for payment appropriations.

Members welcomed the fact that the Commission presented clear guidelines for the budgetary reporting and financial management of IMI2 on 20 December 2016 following the Courts recommendation.

Other observations: the resolution also contained a series of observations on the anti-fraud strategy and the prevention and management of conflicts of interests. The Joint Undertaking established ex ante and internal control procedures to prevent fraud and irregularities.

Members regretted to discover that one case of suspicion of fraud was submitted to the European Anti-Fraud Office (OLAF) for assessment and the latter decided not to open an investigation. They highlighted the important role of whistle-blowers and internal auditing procedures in detecting irregularities.

The Joint Undertaking is encouraged to continue in its effort towards higher participation of SMEs in its projects. 15.6 % of beneficiaries in 2015 were SMEs, which represents a slight decrease in comparison to 2014.