



2014/2125(DEC)

4.9.2015

AMENDMENTS

1 - 10

Draft report
Ryszard Czarnecki
(PE557.298v01-00)

on the discharge in respect of the implementation of the budget of the
European Institute of Innovation and Technology for the financial year 2013
(2014/2125(DEC))

Amendment 1
Tomáš Zdechovský

Proposal for a decision 1
Paragraph 1

Proposal for a decision

1. Grants the Director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2013 / ***Postpones its decision on granting the Director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2013;***

Amendment

1. Grants the Director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2013;

Or. en

Amendment 2
Anders Primdahl Vistisen

Proposal for a decision 1
Paragraph 1

Proposal for a decision

1. ***Grants the Director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2013 / Postpones its decision on granting the Director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2013;***

Amendment

1. ***Refuses to grant*** the Director of the European Institute of Innovation and Technology discharge in respect of the implementation of the Institute's budget for the financial year 2013;

Or. en

Amendment 3
Tomáš Zdechovský

Proposal for a decision 2
Paragraph 1

Proposal for a decision

1. Approves the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2013 / ***Postpones the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2013;***

Amendment

1. Approves the closure of the accounts of the European Institute of Innovation and Technology for the financial year 2013;

Or. en

Amendment 4
Tomáš Zdechovský

Motion for a resolution
Paragraph 1

Motion for a resolution

1. Recalls that the Court of Auditors (“the Court”), in its report on the annual accounts of the European Institute of Innovation and Technology (“the Institute”) for the financial year 2013 (“the Court’s report”), found the quality of the certificates issued by independent audit firms ***insufficient***, covering about 87 % of the grant expenditure; recalls furthermore that in order to address the shortcomings related to the quality of the audit certificates, the Institute improved the instructions provided to certifying auditors and communicated the updated instructions to the “Knowledge and Innovation Communities” (KICs), the recipients of the Institute's grants, in June 2013;

Amendment

1. Recalls that the Court of Auditors (“the Court”), in its report on the annual accounts of the European Institute of Innovation and Technology (“the Institute”) for the financial year 2013 (“the Court’s report”), found ***for the second consecutive year no reasonable assurance on the legality and regularity of the grant transactions; notes that in the Court’s view*** the quality of the certificates ***was compromised as they were*** issued by independent audit firms ***contracted by the grant beneficiaries***, covering about 87 % of the grant expenditure; recalls furthermore that in order to address the shortcomings related to the quality of the audit certificates, the Institute improved the instructions provided to certifying auditors and communicated the updated instructions to the “Knowledge and Innovation Communities” (KICs), the recipients of the Institute's grants, in June 2013;

Amendment 5
Tomáš Zdechovský

Motion for a resolution
Paragraph 2

Motion for a resolution

2. Notes from the Institute that the improved instructions resulted in **a considerable increase in** the quality of audit certificates received in respect to 2013 grant transactions for which the final payments were made in 2014;

Amendment

2. Notes from the Institute 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;

Amendment 6
Tomáš Zdechovský

Motion for a resolution
Paragraph 4

Motion for a resolution

4. Recalls 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; acknowledges that the Institute carried out “on the spot” audits covering around 40 % of the grants paid under the 2013 Grant Agreements; notes that these audits resulted in the recovery of EUR 263 239, out of the total audited amount of EUR 29 163 272; acknowledges that the detected error rate in the audited sample is 0,90 % and the residual error rate is 0,69 %, which is below the materiality threshold of 2 %;

Amendment

4. Recalls 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; acknowledges that the Institute carried out “on the spot” audits covering around 40 % of the grants paid under the 2013 Grant Agreements; notes that these audits resulted in the recovery of EUR 263 239, out of the total audited amount of EUR 29 163 272; acknowledges that the detected error rate in the audited sample is 0,90 % and the residual error rate is 0,69 %, which is below the materiality threshold of 2 %; **notes that the Court has not raised any comments or findings in relation to *ex ante* or *ex post* verifications in its preliminary observations for the**

Amendment 7
Tomáš Zdechovský

Motion for a resolution
Paragraph 5

Motion for a resolution

5. Acknowledges from the Institute that it improved its procurement procedures since 2013 and took a proactive approach after the detection of errors by the Court; notes in particular that the Institute cancelled the two framework contracts concluded in 2010 and 2012 where the use of the negotiated procedure was found as being irregular; notes furthermore that the Institute revised *extensively* its internal procedures, circuits and templates in order to fully comply with the respective public procurement rules, with special attention given to the sound planning and estimation of needs; acknowledges that the Institute recruited an additional procurement officer in 2015 and that it carried out a series of trainings on procurement for its staff;

Amendment

5. Acknowledges from the Institute that it improved its procurement procedures since 2013 and took a proactive approach after the detection of errors by the Court; notes in particular that the Institute cancelled the two framework contracts concluded in 2010 and 2012 where the use of the negotiated procedure was found as being irregular; notes furthermore that the Institute revised its internal procedures, circuits and templates in order to fully comply with the respective public procurement rules, with special attention given to the sound planning and estimation of needs; acknowledges that the Institute recruited an additional procurement officer in 2015 and that it carried out a series of trainings on procurement for its staff;

Amendment 8
Tomáš Zdechovský

Motion for a resolution
Paragraph 6 – indent 2

Motion for a resolution

— *ensuring that* the procurement function *verifies* all requests for service before requesting an offer, which provides an additional layer of control;

Amendment

— *requiring* the procurement function *to verify* all requests for service before requesting an offer, which provides an additional layer of control;

Amendment 9
Jonathan Arnott

Motion for a resolution
Paragraph 12

Motion for a resolution

12. Recalls that the low budget implementation rate for Title I (staff expenditure) is mainly related to the high turnover of staff and the outstanding adoption of the regulations on salary adjustments; takes note that the analysis of staff exit interviews identified the lack of a clear career perspective, a difficult work environment and an unattractive salary package related to the correction coefficient for Hungary as the main reasons for the high staff turnover;

Amendment

12. Recalls that the low budget implementation rate for Title I (staff expenditure) is mainly related to the high turnover of staff and the outstanding adoption of the regulations on salary adjustments; takes note that the analysis of staff exit interviews identified the lack of a clear career perspective, a difficult work environment and an unattractive salary package related to the correction coefficient for Hungary as the main reasons for the high staff turnover; ***considers that a clear and concise breakdown is required detailing the cost of investment in training and skills development; notes that investment returns in human resources have clearly not paid off in this instance, and considers that it is essential that the cost of training and recruitment has a productive outcome to prevent loss of investment;***

Amendment 10
Jonathan Arnott

Motion for a resolution
Paragraph 17

Motion for a resolution

17. Notes that the IAC carried out seven audit and consultancy engagements in 2014

Amendment

17. Notes that the IAC carried out seven audit and consultancy engagements in 2014

and acknowledges the Institute's actions taken on the IAC's recommendations.

and acknowledges the Institute's actions taken on the IAC's recommendations;
considers that the cost of those audits and consultations must be detailed and made transparent, and that any internal and external involvement of the concerned parties must be clarified and made available to the citizens of the Union.

Or. en