2008 discharge: SESAR Joint Undertaking SJU

2009/2188(DEC) - 23/03/2010

The Committee on Budgetary Control adopted the report by Véronique MATHIEU (EPP, FR) on discharge to be granted to the SESAR Joint Undertaking, calling on the European Parliament to grant the Executive Director of the Undertaking discharge in respect of the implementation of its budget for the financial year 2008.

Noting that the Agency’s annual accounts for the financial year 2008 are reliable, and the underlying transactions are legal and regular, MEPs approve the closure of the Undertaking’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 financial management and control of EU agencies (see 2010/2007(INI):

- **failure to respect the budgetary principle of annuality**: Members note that in April 2008 the Joint Undertaking's Administrative Board adopted the final budget covering the period August 2007 – December 2008, and that that decision was at odds with the annuality principle;
- **implementation of the budget**: they state that the final budget adopted by the Joint Undertaking's Administrative Board in April 2008 proved to be highly unrealistic, as is illustrated by commitment and payment appropriations take-up rates of 1% and 17% respectively. They regret that, in a number of instances, transaction controls did not operate correctly and that adequate internal controls for contracts and procurement had not been established;
- **recognition of assets**: in contrast to very low utilisation rates, the Joint Undertaking had considerable sums in deposits in bank accounts at the year end thus breaching the principle of budgetary equilibrium. Members expressly recommend that the Joint Undertaking formulate a more appropriate accounting policy;
- **SESAR Financial Regulation**: Members welcome the Court of Auditors' intention to deliver an opinion on the Financial Regulation. They stress the importance of that regulation being in line with the framework Financial Regulation for Community bodies and the need to adopt implementing rules for its Financial Regulation;
- **internal control systems**: Members call on the Joint Undertaking also to establish without delay appropriate internal control systems in connection with public procurement. They conclude from the annual closure of accounts and the amount of interest payments that the Joint Undertaking maintains high cash reserves over long periods (as of 31 December 2008 the Joint Undertaking's cash reserves amounted to EUR 116 007 569).