2009 disharge: Clean Sky Joint Undertaking

2010/2189(DEC) - 20/10/2010 - Court of Auditors: opinion, report

PURPOSE: presentation by the Court of Auditors of its report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2009, together with the Agency's replies.

CONTENT: in accordance with the tasks and objectives conferred on it by the Treaty on the Functioning of the European Union (TFEU), the Court of Auditors, in the context of the discharge procedure, addresses to the European Parliament and the Council a Statement of Assurance on the reliability of the annual accounts, as well as of the legality and regularity of the transactions underlying them of each EU institution, body or agency, on the basis of an external, independent audit.

This audit also covered the annual accounts of the Clean Sky Joint Undertaking.

In the Court's opinion, **the Joint Undertaking's annual accounts presented "fairly, in all material respects", its financial position as of 31 December 2009** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also stated that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2009 were, "in all material respects, **legal and regular**".

The report again confirmed that the maximum EU contribution to the Clean Sky Joint Undertaking to cover running costs and research activities is EUR 800 million to be paid from the budget of the Seventh Research Framework Programme. Other Members of the Joint Undertaking are to contribute resources at least equal to the EU contribution, including in-kind contributions. In 2009, the final budget included commitment appropriations of EUR 91 million and payment appropriations of EUR 60 million.

The report also included comments on the Agency's budgetary and financial management, together with the Agency's replies. The main comments are as follows:

The Court's comments:

- the structure and presentation of the approved budget of the Joint Undertaking for 2009 were not in line with the Council Regulation setting up the Clean Sky Joint Undertaking, nor the Financial Rules of the Joint Undertaking. The budget does not respect the principle of equilibrium and does not include all the required elements;
- weaknesses in the execution of the budget (the utilisation rate for commitment appropriations was 98 %, the rate for payment appropriations was less than 1 % ; the Joint Undertaking concluded contracts for EUR 70.6 million in December 2009, but the pre-financing payments amounting to EUR 56.5 million euro could only be made in January 2010);
- deficiencies in the internal control systems (at the end of 2009, the underlying business processes had not yet been formalised and had not been validated by the Accounting Officer as required by the Financial Rules of the Joint Undertaking;
- there is no host agreement between the Clean Sky Joint Undertaking and Belgium concerning office accommodation, privileges and immunities and other support to be provided by Belgium as host State;
- the internal audit does not conform to the rules.

The Joint Undertaking's replies:

- presentation of the accounts is being improved with the assistance of the Commission;
- the low implementation rate for payments in 2009 was a consequence of the start-up phase of the Joint Undertaking;
- development of internal controls and putting in place consistent and efficient methods of working which take into account the internal control standards for effective management, through a comprehensive process approach;
- the Joint Undertaking awaits the outcome of the next steps of the procedure to have an agreement signed;
- the Joint Undertaking has addressed the issue if internal audit with the Commission.

Lastly, the Court of Auditor's report contained a summary of the Joint Undertaking's **activities in 2009** in the following areas:

- several technical achievements notably in eco-design;
- launch of 1st call for proposals;
- acquisition of final premises to house the Joint Undertaking.