2011 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion for Energy)

2012/2215(DEC) - 01/02/2013

Having examined the revenue and expenditure accounts for the financial year 2011 and the balance sheet at 31 December 2011 of the European Joint Undertaking for ITER and the Development of Fusion Energy, and the report by the Court of Auditors on the annual accounts of the Joint Undertaking for the financial year 2011, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommends the European Parliament to give a discharge to the Director of the Joint Undertaking in respect of the implementation of the budget for the financial year 2011.

The observations in the Court of Auditors' report in relation to the financial year 2011 call for some comments by the Council, which may be summarised as follows:

- the Council welcomes the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly its financial position as at 31 December 2011 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 Regulation, and that the underlying transactions for that financial year are legal and regular;
- however, it regrets the Court's observation that **weaknesses persisted in the Joint Undertaking's procurement and grant award procedures**, in particular as regards the number of offers and grant proposals received per call. It calls on the Joint Undertaking to make all possible effort to maximise competition in the areas of procurement and grant contract management, inter alia by making systematic use of pre-information notices as an instrument for increasing ex-ante publicity for forthcoming tenders;
- it also asks the Joint Undertaking to pursue its efforts to **reinforce its organisational and financial management structure** by implementing an integrated system to manage budgetary, financial and operational information, including the evaluation and management of risks at corporate level. In this context, it recalls the importance of having effective tools on hand to allow for the regular monitoring of the validity of cost estimates and the timely reporting on potential deviations, thus avoiding in the future to the highest possible extent any further unforeseen major revision of estimated project costs;
- it invites the Joint Undertaking to further **improve its audit and ex-post control strategies**;
- lastly, the Council encourages the Joint Undertaking to **pursue its efforts to avoid the late payment of membership contributions**.