2011 discharge: ENIAC Joint Undertaking

2012/2221(DEC) - 22/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge to be granted to the Executive Director of the ENIAC Joint Undertaking in respect of the implementation of the Undertaking's budget for the financial year 2011.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2011 are reliable but has **delivered a qualified opinion on the legality and the regularity of the transactions underlying the Undertaking's accounts**, Members approve the closure of its 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 performance, financial management and control of EU agencies:

- **Financing, budget and financial management**: Members recall that the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 450 million to be paid from the budget of the Seventh Research Framework Programme. They also note that the 2011 Joint Undertaking's final budget included commitment and payment appropriations amounting to EUR 66 million and EUR 35 million respectively.
- **Implementation rate of appropriations and carryovers**: Members note that the utilisation rates were 97% for commitment appropriations and 48% for payment appropriations were and respectively. They call for a detailed progress report on those shortcomings which makes specific proposals for a gradual improvement in utilisation rates.
- **Qualified opinion of the Court of Auditors**: Members are concerned that annual accounts of the Joint Undertaking received a qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts on the grounds that the Joint Undertaking was not in a position to assess whether the ex post audit strategy provides sufficient assurance with respect to the legality and regularity of the underlying transactions. They reiterate that ENIAC should reinforce without delay the quality of its ex-ante controls in particular for the grant management, requests that the discharge authority is informed of the results of the following ex post audit processes conducted by the Joint Undertaking. They condemn the fact that Greece is using Union structural funds to cover its national contributions to the Greek beneficiaries of the ENIAC projects instead of providing national funding. They request that the Commission inform the discharge authority on the legality of this situation as soon as possible.

Members made a series of observations as regards the Joint Undertaking's procurement policy, control systems and internal audits, weaknesses of the activity report as well as other management matters.

Lastly, Members invite the Court to provide, within a reasonable deadline, a special report to Parliament on common issues due to the nature of the joint undertakings in order to ensure **their added value and efficient execution of Union research, technological development and demonstration programmes**. They note, furthermore, that the report should include an assessment of the **effectiveness of the joint undertakings' establishment and structure**.