2013 discharge: Artemis Joint Undertaking to implement a Joint Technology Initiative in Embedded Computing Systems

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Having examined the revenue and expenditure accounts for the financial year 2013 and the balance sheet at 31 December 2013 of the ARTEMIS Joint Undertaking, and the report by the Court of Auditors on the annual accounts of the ARTEMIS Joint Undertaking for the financial year 2013, accompanied by the ARTEMIS Joint Undertaking's replies to the Court's observations, the Council recommended that the European Parliament give a discharge to the Executive Director in respect of the implementation of the budget of the Joint Undertaking for the financial year 2013.

The Council recalled that the ECSEL Joint Undertaking has replaced and succeeded the ARTEMIS Joint Undertaking and discharge should therefore be given to the Executive Director of the ECSEL Joint Undertaking.

The Council welcomed the Court's opinion that, in all material respects, the ARTEMIS Joint Undertaking's annual accounts fairly present the financial position as at 31 December 2013 and the results of operations and cash flows for the year then ended, in accordance with the provisions of the ARTEMIS Joint Undertaking's Financial Rules.

However, the Council **regretted the Court's qualified opinion on the legality and regularity of the transactions underlying the accounts**, based on the Court's assessment that the ARTEMIS Joint Undertaking's ex-post audit strategy does not provide sufficient assurance that this key control tool is functioning effectively. The Council urged the ECSEL Joint Undertaking as the successor Joint Undertaking to examine the audit strategies of the National Funding Authorities (NFAs), to ensure that all NFAs deliver their audit reports in time, and that they include all relevant information for the ex-post audit strategy to function effectively.

In addition, the following observations are made:

- **carryovers**: with regard to the budget implementation, the Council called on the ECSEL Joint Undertaking to pay due attention to the proper implementation of commitment and payment appropriations in the course of the budgetary year and to decommit if necessary in order to avoid excessive carry-overs;
- **internal audit**: the Council is concerned about the fact that the internal audit capability has not been set up yet and that the Financial Rules are not in line with the provisions of the Financial Regulation referring to the powers of the Commission's Internal Auditor. It insists on the need to swiftly remedy this situation;
- **conflict of interests**: the Council requested that a proper procedure be put in place for dealing with conflict of interests situations;
- **results of research**: it invited the ECSEL Joint Undertaking to further improve the monitoring and reporting of the research results.

Lastly, the Council called on the ECSEL Joint Undertaking to take duly into account recommendations put forward in the Commission's Second Interim Evaluation report and to implement them.