2014 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2015/2197(DEC) - 06/10/2015 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking for the financial year 2014, together with the Joint Undertaking's reply.

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

This audit concerned, amongst others, the annual accounts of the SESAR Joint Undertaking (research programme on air traffic management in the Single European Sky).

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the SESAR Joint Undertaking, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2014;
- the legality and regularity of the transactions underlying those accounts.

External auditor: it should be noted that 2014 is the first year whereby the **annual accounts of SESAR were verified by an independent external auditor** (audit firm) according to Article 208(4) of the EU Financial Regulation and Article 107(1) of the new framework financial Regulation for agencies and other bodies. The Court's opinion on these accounts considered the audit work performed by the independent external auditor and the action taken in response to the auditor's findings.

Opinion on the reliability of the accounts: in the Court's opinion, the Joint Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2014, and the results of its operations and its cash flows for the year then ended in accordance with the provisions of its financial rules and the rules adopted by the Commission's accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Court's opinion, the transactions underlying the annual accounts for the year ended 31 December 2014 are, in all material respects, legal and regular.

The audit also revealed the following points:

- **budgetary management**: the budgetary implementation rate for commitment appropriations ranged between 90 % and 100 % for most Joint Undertakings including SESAR and the rate for payment appropriations was 80%, which is mostly explained by delays in the funding of projects;
- **procurement:** the Court notes that with regard to calls for proposals, the final rate of appropriations committed achieved a figure between 90 % and 100 %, including SESAR.

Cross-cutting remarks for all the Joint undertakings: the monitoring and reporting of research results is laid down in the Seventh Framework Programme (FP7). In the grant agreements signed with members and other beneficiaries, the Joint Undertakings have included specific provisions governing intellectual property rights and the dissemination of research activities and results. The implementation of these provisions is monitored by the Joint Undertakings at different stages of the funded projects and significant progress has been achieved in 2014. However, in order to meet the requirements of Horizon 2020 and to better contribute to the dissemination of FP7 research results, the Court considers that cooperation between the Joint Undertakings and the Commission must be developed as much as possible with special regard to the further integration of some of the Joint Undertakings' data into the Commission's systems.

The Court also indicates that there is room to improve procedures, in particular in the implementation of the ex-post audit strategy, and cooperation with the Commission as regards the integration of the research results.

Replies of the Joint Undertaking: the Joint Undertaking replies point by point to all the technical remarks made by the Court of Auditors.

With regard to the **activities of the Joint Undertaking in 2014**, the report refers to the Joint Undertaking' s latest available annual activity report for 2014 available at the following address: http://www.sesarju.eu/.

It should be noted that the budget for SESAR was EUR 13 119 600 in commitment appropriations and EUR 121 942 760 in payment appropriations.