2014 discharge: ENIAC Joint Undertaking for the implementation of the Joint Technology Initiative on nanoelectronics

2015/2202(DEC) - 27/01/2016 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the period 1 January 2014 to 26 June 2014 and the balance sheet as at 26 June 2014 of the ENIAC Joint Undertaking, and the report by the Court of Auditors on the annual accounts of the Joint Undertaking for the period 1 January 2014 to 26 June 2014, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Executive Director of the ECSEL Joint Undertaking in respect of the implementation of the budget of the Joint Undertaking for the period 1 January 2014 to 26 June 2014.

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

The Council welcomed the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly its financial position as at 26 June 2014 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 Rules, and that the underlying transactions for the period 1 January 2014 to 26 June 2014 are legal and regular in all material respects.

The Council regretted, however, the Court's qualified opinion on the legality and regularity of the transactions underlying the accounts of the Joint Undertaking. In the Court's assessment, the Joint Undertaking's ex-post audit strategy does not provide sufficient assurance that this key control tool is functioning effectively. Even though the National Funding Authorities (NFAs), are responsible for ex-posts audits, the Joint Undertaking did not assess the quality of those audits nor was reliable information provided to enable the calculation of an error rate. The Council called on the ECSEL Joint Undertaking, as the successor Joint Undertaking, to ensure that the future audit strategies address these shortcomings.

It also made the following observations:

- **implementation rate**: the Council noted the Court's observation concerning the low implementation rate of the administrative commitment appropriations due to the merger with the ARTEMIS Joint Undertaking that took place in June 2014;
- **financial regulation**: the Council noted the late implementation of the new provisions of the Financial Regulation and the lack of amendment of the Joint Undertaking's Financial Rules due to the merger that took place in June 2014.