2014 discharge: ECSEL Joint Undertaking for the implementation of the Joint Technology Initiative 'Electronic Components and Systems for European Leadership'

2015/2204(DEC) - 27/01/2016 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the period 27 June 2014 to 31 December 2014 and the balance sheet as at 31 December 2014 of the ECSEL Joint Undertaking, as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the period 27 June 2014 to 31 December 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 Joint Undertaking in respect of the implementation of the budget for the period 27 June 2014 to 31 December 2014.

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 31 December 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 27 June 2014 to 31 December 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. The Council noted that the National Funding Authorities (NFAs), are responsible for ex-posts audits, and that the ARTEMIS and ENIAC Joint Undertakings, the Joint Undertaking's predecessors, had concluded administrative agreements with the NFAs of the Member States, which continue to apply after the merger of the ARTEMIS and ENIAC Joint Undertakings into the ECSEL Joint Undertaking.

The Council regretted, that the Joint Undertaking did not assess the quality of audits provided by NFAs and that no reliable information was provided to enable the calculation of an error rate. The Council urged the Joint Undertaking to examine the audit strategies of the National Funding Authorities (NFAs), to ensure that all NFAs deliver their audit reports on time, and that they include all relevant information for the ex-post audit strategy to function effectively.

The Council also made the following observations:

- **implementation rate**: the Council took note of the Court's observation concerning the low implementation rate of the administrative commitment appropriations due to the merger that took place in June 2014 and called on the Joint Undertaking to pay due attention to its monitoring of budget implementation;
- **research results**: the Council called on the Joint Undertaking to improve the quality of its monitoring of research results and the dissemination of qualitative data including information on progress made against performance indicators. It also called on the Joint Undertaking to enhance its cooperation with the Commission with a view to improving the dissemination of research results.