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

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The Committee on Budgetary Control adopted the report by Marian-Jean MARINESCU (EPP, RO) on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking (formerly the ENIAC Joint Undertaking and the ARTEMIS Joint Undertaking) for the financial year 2014.

The parliamentary committee calls on the European Parliament to grant the joint undertaking’s Executive Director discharge in respect of the implementation of the joint undertaking’s budget for the financial year 2014.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2014, Members call on Parliament to approve the closure of the joint undertaking’s accounts.

They made, however, a number of recommendations that need to be taken into account when the discharge is granted. They may be summarised as follows:

- **General remark:** Members recall that the Joint Undertaking was established to replace and succeed the ENIAC Joint Undertaking (ENIAC) and the ARTEMIS Joint Undertaking (ARTEMIS) under Council Regulation (EC) No 561/2014. They note that the Court of Auditors makes too many general, to the detriment of viable, specific, remarks. They therefore call for an audit with a closer focus on the annual financial performance on the implementation status of multiannual projects, including a clear presentation of the implementation of the budget for the respective year and for previous years, and their results and implementation. They note that the information provided in the Joint Undertaking's Report on Budgetary and Financial Management for the financial year 2014 lacked harmonisation and was often incomplete.
- **Budget and financial management:** Members note that the Joint Undertaking's final budget for the financial year 2014 included commitment appropriations of EUR 160 114 500 and payment appropriation of EUR 104 144 250. They regret the absence of information regarding in-kind and cash contributions and call on the Court to include in future reports provisions regarding the evaluation procedure and level of in-kind and cash paid contribution, separately, for FP7 and Horizon 2020.
- **Internal control:** Members note that the Joint Undertaking elaborated in 2014 a checklist including the essential elements of an assurance system and engaged in intensive exchanges with the NFAs to assess the assurance provided by the national systems. In this regard, they note that the Joint Undertaking estimated the residual error rate at 0.73 %. Members note that the Joint Undertaking did not assess the quality of the audit reports received from the NFAs concerning the costs relating to completed projects. They also note that, after an assessment of the audit strategies of three of the NFAs, it was not possible to conclude whether ex-post audits are functioning effectively due to different methodologies used by NFAs which did not allow the Joint Undertaking to calculate either a weighted error rate or a residual error rate. They note this technical difficulty does not, however, result in the Court’s negative opinion, but understandably prevents it from confirming the legality and regularity of the transactions without formulating a reservation; notes also that the Joint

Undertaking has confirmed that its extensive assessment of the national assurance systems concluded that they can provide a reasonable protection of the financial interests of its members.

Members make a series of further observations regarding the undertaking's legal framework, internal audits, the management of conflicts of interest and the monitoring and reporting of research results.