2015 discharge: Bio-based Industries Joint Undertaking - BBI Joint Undertaking

2016/2197(DEC) - 18/10/2016 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Bio-based Industries Joint Undertaking for the financial year 2015, together with the Joint Undertaking's replies.

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 focused on the annual accounts of the Bio-based Industries Joint Undertaking. As a reminder, the objective of the BBI Joint Undertaking is to implement a programme of research and innovation activities in Europe that will assess the availability of renewable biological resources that can be used for the production of bio-based materials, and on that basis support the establishment of sustainable bio-based value chains. Those activities should be carried out through collaboration between stakeholders along the entire bio-based value chain, including primary production and processing industries, consumer brands, SMEs, research and technology centres, and universities.

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 Bio-based Industries JU, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2015;
- the legality and regularity of the transactions underlying those accounts.

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 2015, 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 2015 are, in all material respects, legal and regular.

The audit also revealed the following points:

- **presentation of the accounts**: the Court noted that by 31 January each year, the members of the BBI Joint Undertaking other than the Union are required to report to the Governing Board on the value of their in-kind contributions made in each of the previous financial years. On the basis of this information, and according to the guidance provided by the European Commission to the Joint Undertaking, the members' in-kind contributions should be entered in the Joint Undertaking's accounts. At the time the final accounts were being prepared, the Joint Undertaking had not received the required reports from its members. Consequently, the total amount of in-kind contributions for 2015 entered in the accounts is based on estimates made by the Joint Undertaking of the costs incurred by members up to the end of 2015. The accounts issued by the BBI Joint Undertaking do not include the budget outturn account, nor the reconciliation table with the

economic outturn account. **There is a clear need for JUs to be provided with clear Commission guidelines on budgetary reporting**.

Joint Undertaking's reply: the Joint Undertaking stated that it has taken note of the Court's report.