2015 discharge: Fuel Cells and Hydrogen 2 Joint Undertaking - FCH 2 Joint Undertaking

2016/2199(DEC) - 18/10/2016 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors’ report on the annual accounts of the **Fuel Cells and Hydrogen** 2 (FCH 2) for the financial year 2015, 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 focused on the annual accounts of the FCH 2 Joint Undertaking (fuel cells and hydrogen technologies). As a reminder, the objectives of the FCH Joint Undertaking include supporting research, technological development and demonstration activities in the Member States and countries associated with the seventh research framework programme (FP7) through coordination with industry and research organisations, with a focus on developing market applications and hence facilitating additional industrial efforts towards the rapid deployment of fuel cells and hydrogen technologies. Under Horizon 2020, the objective of the FCH 2 Joint Undertaking is to contribute to the implementation of the societal challenges for secure, clean and efficient energy and for smart, green and integrated transport, and to contribute to the objectives of the Joint Technology Initiative on Fuel Cells and Hydrogen, through the development of a strong, sustainable and globally competitive fuel cells and hydrogen sector in the Union.

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 FCH 2, 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 Joint Undertaking other than the EU are required to report to the Governing Board on the value of their in-kind contributions made in each of the previous financial years. 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 implementing Horizon 2020 projects. Consequently, the amount of 2015 in-kind contributions for the Horizon 2020 programme 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 FCH Joint Undertaking do not include the budgetary outturn account, nor the reconciliation table with the economic outturn account.

Joint Undertaking's reply: the JU stressed that, in accordance with the H2020 in-kind contribution to operational activities (IKOP) and in line with the Commission position of July 2016, there was an agreement on a series of measures concerning IKOP including on eligible costs less FCH contribution and the fact that annual reporting should also include certified IKOP based on the costs certified and validated by the JU by 31 December.

As the first reporting under projects is due in September 2016, no costs have been validated by the JU in 2015.