2015 discharge: SESAR Joint Undertaking

2016/2195(DEC) - 18/10/2016 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the SESAR Joint Undertaking 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 SESAR Joint Undertaking (research programme on air traffic management – ATM - in the Single European Sky). The SESAR project is divided into three phases:

- a 'definition phase' (2004-2007) led by the European Organisation for the Safety of Air Navigation (Eurocontrol), with co-financing from the European Union budget through the Trans-European Networks — Transport (TEN-T) programme. The outcome was the European ATM Master Plan, which defines the content and describes the development and deployment of the next generation of ATM systems;
- a two-term 'development phase' (2008–2013, extended to 2015) managed by the SJU and leading to the production of new technological systems, components and operational procedures as defined in the European ATM Master Plan;
- a 'deployment phase' (2014-2024) to be led by industry and stakeholders for the large-scale production and implementation of the new ATM infrastructure.

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 SESAR Joint Undertaking, 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:

- **budget and financial management**: of the total operational commitments made in 2015 (EUR 74.5 million), 29 % were individual commitments based on completed award procedures for grants and contracts. The remaining 71 % were global commitments for which the award procedure was not completed. The high level of global commitments in 2015 is due to the fact that the first Horizon 2020 calls for proposals for EUR 51.5 million in grants were launched in the second half of 2015, and the related agreements would be signed in 2016.

Reply from the Joint Undertaking: the Joint Undertaking sought to highlight that the delay of two months for the first Horizon 2020 calls was beyond its control. The main reason was significant changes to the IT tool for grant preparation and evaluation. Therefore, when strictly following the Horizon 2020 grant procedures, the first grant agreements could only be signed in January 2016. The related unused 2015 payment appropriations were fully reintroduced into the 2016 budget.