

2015 discharge: ECSEL Joint Undertaking

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Having examined the revenue and expenditure accounts for the financial year 2015 and the balance sheet as at 31 December 2015 of the ECSEL Joint Undertaking, as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2015, 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 financial year 2015.

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 2015 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 2015 are legal and regular. However, it regretted the Court's **qualified opinion** on the legality and regularity of the transactions underlying the accounts of the Joint Undertaking, resulting from the **significant variation in the methodologies and procedures used by the different national funding authorities**. It asked the Joint Undertaking to improve its assessment methods for the implementation of national *ex-post* audit procedures, in order to obtain reasonable assurance to calculate a reliable single error rate.

The Council made further observations:

- **financial programming:** the Council called on the Joint Undertaking to pay due attention to the proper programming and implementation of commitment and payment appropriations in the course of the budgetary year and to decommit unused appropriations if necessary;
- **in-kind contributions:** the Council regretted that the value of in-kind contributions by other members was based on estimates. It urged the Joint Undertaking to timely obtain from its members the reports on the value of their in-kind contributions;
- **conflicts of interest:** the Joint Undertaking is called on to incorporate in its procedures a declaration of absence of a conflict of interest as stated in the Commission's guidelines;
- **anti-fraud strategy:** lastly, the Council noted the Court's observation related to an outstanding comprehensive analysis of the measures introduced by the Joint Undertaking's updated anti-fraud strategy. It called on the Joint Undertaking to take appropriate corrective action without delay, in order to have reasonable assurance about the prevention and detection of fraud.