

2015 discharge: ECSEL Joint Undertaking

2016/2201(DEC) - 27/04/2017 - Text adopted by Parliament, single reading

The European Parliament decided to grant the Executive Director of the [ECSEL](#) Joint Undertaking discharge in respect of the implementation of the joint undertaking's budget for the financial year 2015.

Based on the statement of assurance provided by the Court of Auditors concerning the reliability of the accounts and the legality and regularity of the underlying transactions, it decided to **approve the closure of the accounts** of the Joint Undertaking for the same financial year.

Noting that the Court of Auditors has stated that it has obtained reasonable assurances that the Joint Undertaking's annual accounts for the financial year 2015 are reliable and that the underlying transactions are legal and regular, Parliament adopted by 499 votes to 102 with 14 abstentions, a resolution containing a series of recommendations which form an integral part of the decision on discharge.

Budgetary and financial management: the Joint Undertaking's final budget for the financial year 2015 included commitment appropriations of EUR 108 500 000 and payment appropriation of EUR 168 000 000.

Members also noted that:

- the budget implementation rate was **100 %** and the payment appropriations execution rate was at 90.95 %;
- the Court's report finds that it was impossible for the Joint Undertaking to calculate a reliable weighted error rate or a residual error rate because of the significant variation in the methodologies and procedures used by the NFAs. It could not conclude whether ex-post audits were functioning effectively. Members recognised that the issue is related to the legal framework of the Seventh Framework Programme and thus not caused by the Joint Undertaking's performance;
- as a reaction to the postponement of the discharge decision in 2014, the Joint Undertaking asked the NFAs to provide written declarations that the implementation of their national procedures provided for a reasonable assurance of the legality and regularity of transactions. The discharge authority took the declarations of the NFAs into account during the postponed discharge process and granted discharge to the Joint Undertaking in October 2016. The Joint Undertaking, following its good example from the previous year, asked the NFAs in January 2017 to provide similar written declarations to submit to the discharge authority.

Parliament regretted that out of the 28 Participating States which were required to make a financial contribution to the operational costs of the Joint Undertaking proportional to the Union's financial contribution only 11 declared payments, totalling EUR 15 800 000.

Other observations: the resolution also contained a series of observations on key controls and supervisory systems, calls for proposals, the legal framework, internal audits and internal control standards to prevent fraud and irregularities.

Lastly, Members also noted concern following the risk-assessment within the Joint Undertaking, the internal audit services (IAS) performed a risk assessment of the Joint Undertaking, and is concerned that as a result it identified two 'high impact/high risk areas' and two 'high risk/high impact area' in the Joint Undertaking's operational processes. They welcomed, however, the Joint Undertaking's already implemented and ongoing efforts to mitigate these risks.