2016 discharge: SESAR Joint Undertaking

2017/2181(DEC) - 19/09/2017 - 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 2016, 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**. 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' (2007–2013, extended to 2016) managed by the SESAR JU with co-financing from the TEN-T and Seventh Research Framework (FP7) programmes;
- 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 2016;
- 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 2016, 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 2016 are, in all material respects, legal and regular.

The audit also revealed the following points:

- **budgetary and financial management**: taking into account unused payment appropriations from previous years (EUR 5.7 million), the final 2016 budget available from FP7 and Horizon 2020 included commitment appropriations of EUR 101.4 million and payment appropriations of EUR 162.8 million. The utilisation rates for commitment and payment appropriations were 95.7% and 63.2% respectively. The low implementation rate for payment appropriations is mainly due to delays in the implementation of the studies and developments conducted by the members of the SESAR Joint Undertaking.

Reply from the Joint Undertaking: the Joint Undertaking stated that one of the main reasons for the delay in implementation of payments for member studies and developments has been difficulties in adapting the common Horizon 2020 IT tools to the special needs of the SESAR Joint Undertaking. This process started in 2016 and is still ongoing.