2016 discharge: European Joint Undertaking for ITER and the Development of Fusion Energy - Fusion for Energy Joint Undertaking (F4E)

2017/2180(DEC) - 09/02/2018 - Supplementary non-legislative basic document

Having examined the revenue and expenditure accounts for the financial year 2016 and the balance sheet as at 31 December 2016 of the European Joint Undertaking for ITER and the Development of Fusion Energy, as well as the Court of Auditors' report on the annual accounts of the Joint Undertaking for the financial year 2016, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommended the European Parliament to give a discharge to the Director of the Joint Undertaking in respect of the implementation of the budget for the financial year 2016.

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 2016 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 2016 are legal and regular in all material respects.

Nevertheless, the following observations were made:

- **increasing costs**: the Council is concerned about the risk of **further cost increases and delays** in project implementation compared to the new baseline proposed in 2016. The Council requested the Joint Undertaking to update the valuation of its contribution to the ITER project beyond the construction phase and to present it with the least possible delay;
- **internal control**: the Council welcomed the progress achieved by the Joint Undertaking with regard to the establishment and implementation of its internal control systems. However, the Council expects the Joint Undertaking to continue its efforts in improving its procurement procedures as recommended by its Internal Audit Capability.

Lastly, the Council invited the Joint Undertaking to follow-up the Court's recommendation on **antifraud** strategy and to set up a tool to facilitate the monitoring of its actions in relation to **procurement procedure**.