

2016 discharge: Shift2Rail Joint Undertaking - S2R Joint Undertaking

2017/2186(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 Shift2Rail Joint Undertaking, 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 Executive 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:

- **anti-fraud:** the Council urged the Joint Undertaking to perform a specific anti-fraud risk assessment and to establish an action plan for the implementation of its own anti-fraud strategy;
- **project funding:** the Council called on the Joint Undertaking to pay due attention to the financial risk associated with the completion of projects and to avoid the high concentration of total project funding to a single coordinating partner;
- **procurement:** the Council also invited the Joint Undertaking to introduce a methodology to systematically assess the needs and costs of contracts in its procurement procedures.