2016 discharge: ECSEL Joint Undertaking

2017/2187(DEC) - 22/03/2018 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Brian HAYES (EPP, IE) on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking for the financial year 2016.

The committee called on the European Parliament to **grant the joint undertaking's Executive Director discharge** in respect of the implementation of the joint undertaking's budget for the financial year 2016.

Noting that the Court of Auditors issued a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2016, Members called on Parliament to **approve the closure** of the joint undertaking's accounts.

They made, however, a number of recommendations that need to be taken into account when the discharge is granted. They may be summarised as follows:

- **Follow-up to the 2015 discharge**: Members welcomed the fact that the Joint Undertaking has taken steps to assess the implementation of *ex-post* audits by the national funding authorities (NFAs), and has obtained written statements from the national funding authorities declaring that the implementation of their national procedures provided for a reasonable assurance of the legality and regularity of transactions.
- **Budgetary and financial management**: the Joint Undertaking's final budget for the financial year 2016 included commitment appropriations of EUR 169 300 000 and payment appropriation of EUR 245 000 000. The utilisation rates for commitment and payment appropriations were **99 % and 91 % respectively**.

Members highlighted as a matter of particular concern that the Court issued a **qualified opinion** on Joint Undertaking's payments related to projects taken over from its legal predecessors Artemis and ENIAC joint undertakings and invited the Court to reconsider the methodology that results in repetitive qualified opinions based on this reoccurring issue that cannot be solved until the Seventh Framework Programme projects are terminated.

They noted that the payments made for those projects by the ECSEL Joint Undertaking in 2016, against certificates of acceptance of costs issued by the national funding authorities (NFAs) of the Participating States, amounted to EUR 118 000 000, which represents 54 % of the total operational payments made by the Joint Undertaking in 2016. They also noted that the NFAs compiled 'declarations of assurance' on the 2016 expenditure as received on 22 January 2018 from Joint Undertaking which cover 98 % of the participation fees from the participating Member States for the 2016 Seventh Framework Programme expenditure.

Other observations: the report also contained a series of observations on internal controls, human resources and communication.

Members noted that the Joint Undertaking has adopted rules on the prevention and management of conflicts of interests to mitigate the risks related to its governance structure. They noted, however, that in 2016 the Joint Undertaking did not apply those rules consistently. The internal register of declarations of conflicts of interest was not managed in line with internal guidelines and was not regularly updated.