2017 discharge: Clean Sky 2 Joint Undertaking

2018/2213(DEC) - 02/10/2018 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors' report on the annual accounts of the Clean Sky 2 Joint Undertaking for the financial year 2017, together with the Joint Undertaking's reply.

CONTENT: the Court of Auditors carried out the audit on the annual accounts of the Clean Sky Joint Undertaking.

In brief, the main objectives of the Clean Sky Joint Undertaking are to improve significantly the environmental impact of aeronautical technologies and to enhance the competitiveness of European aviation.

Statement of assurance and reliability of the accounts

The Court considered that:

- the Undertaking's annual accounts present fairly, in all material respects, its financial position as at 31 December 2017 and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation and the accounting rules adopted by the Commission's accounting officer;

- the transactions underlying the annual accounts for the year ended 31 December 2017 are legal and regular in all material respects.

The report also makes a series of observations on the budgetary and financial management of the Undertaking, accompanied by the latter's response. The main observations may be summarised as follows:

The Court's observations

Financial management

The final 2017 budget available for the Clean Sky 1 and Clean Sky 2 programme implementation included commitment appropriations of EUR 313.4 million and payment appropriations of EUR 243.5 million.

The implementation rates for commitment and payment appropriations were high with 99.6 % and 98.5 %, respectively.

Out of the EUR 800 million of FP7 funds allocated to the Clean Sky Joint Undertaking for the implementation of Clean Sky 1, by the end of 2017, the EU had contributed in cash a total amount of EUR 800 million.

Internal control

The Clean Sky Joint Undertaking has set up ex-ante control procedures based on financial and operational desk reviews. For FP7 interim and final payments, the Joint Undertaking performs ex-post audits at the beneficiaries whilst for Horizon 2020 project cost claims the Commission's Common Audit Service (CAS) is responsible for the ex-post audits. The residual error rates for the ex-post audits reported by the Joint Undertaking at the end of 2017 were 1.40 % for FP7 projects and 1.6 % for Horizon 2020 projects.

Based on an assessment of the Joint Undertaking's internal control system and substantive testing of revenue, payment, grant and procurement operations and a review of a sample of finalised ex-post audits including recoveries arising from the errors detected, the audit results provided us with reasonable assurance that the overall residual error rate for the Joint Undertaking is below materiality.

Leverage of contributions

One of the main objectives of the Joint Undertaking is to leverage contributions from industry members in the area of its activities. The minimum leverage factor for both, operational and additional activities amounts to 1.25.

Joint Undertaking's reply

The Joint Undertaking has taken note of the Court's report.