Basic information

2012/2217(DEC) DEC - Discharge procedure	Procedure completed
2011 discharge: Clean Sky Joint Undertaking **Subject** 8.70.03.07 Previous discharges	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	GERBRANDY Gerben-Jan (ALDE)	29/02/2012
	Shadow rapporteur RÜBIG Paul (PPE) AYALA SENDER Inés (S&D) STAES Bart (Verts/ALE) BRADBOURN Philip (ECR) SØNDERGAARD Søren Bo (GUE/NGL) ANDREASEN Marta (EFD) EHRENHAUSER Martin (NI)	

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
TRAN Transport and Tourism	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
25/07/2012	Non-legislative basic document published	COM(2012)0436	Summary
13/09/2012	Committee referral announced in Parliament		
19/03/2013	Vote in committee		
21/03/2013	Committee report tabled for plenary	A7-0086/2013	Summary
16/04/2013	Debate in Parliament		
17/04/2013	Decision by Parliament	T7-0166/2013	Summary
17/04/2013	Results of vote in Parliament		
17/04/2013	End of procedure in Parliament		
16/11/2013	Final act published in Official Journal		

Technical information

Procedure reference	2012/2217(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/10577

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE497.949	29/01/2013	
Amendments tabled in committee		PE506.001	27/02/2013	
Committee report tabled for plenary, single reading		A7-0086/2013	21/03/2013	Summary
Text adopted by Parliament, single reading		T7-0166/2013	17/04/2013	Summary

Council of the EU

Document type	Reference	Date	Summary
Document attached to the procedure	05755/2013	01/02/2013	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2012)0436	25/07/2012	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N7-0038/2013 OJ C 006 10.01.2013, p. 0009	13/11/2012	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2013/0616
OJ L 308 16.11.2013, p. 0340 Summary

2011 discharge: Clean Sky Joint Undertaking

2012/2217(DEC) - 25/07/2012 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2011, as part of the 2011 discharge procedure.

Analysis of the accounts of the accounts of the **Clean Sky Joint Undertaking**.

CONTENT: this Commission document sets out the consolidated annual accounts of the European Union for the financial year 2011 as prepared on the basis of the information presented by the institutions, organisations and bodies of the EU, in accordance with Article 129 (2) of the Financial Regulation applicable to the EU's General Budget, including Clean Sky Joint Undertaking

In 2011, the tasks and budget of this agency were as follows:

- **description of the Joint Undertaking's tasks:** the Clean Sky Joint Undertaking, which is located in Brussels, was established in 2007 by Regulation (EC) No 71/2008 for the period up to 31 December 2017. The objective of the Clean Sky Joint Undertaking is to accelerate the development, validation and demonstration of clean air transport technologies in the EU for earliest possible deployment;
- **the Joint Undertaking's budget for the 2011 financial year:** the maximum EU contribution to the Clean Sky Joint Undertaking is EUR 800 million to be paid from the budget of the Seventh Research Framework Programme until 2017.The other members of the Joint Undertaking contribute resources that are at least equivalent to the EU’s contribution, including contributions in kind.

The complete version of the Joint Undertaking’s final accounts may be found at the following address: http://www.cleansky.eu/content/homepage/about-us

or consult the following document:

http://www.europarl.europa.eu/document/activities/cont/201210/20121004ATT52932/20121004ATT52932EN.pdf

2011 discharge: Clean Sky Joint Undertaking

2012/2217(DEC) - 13/11/2012 - Court of Auditors: opinion, report

PURPOSE: presentation of the EU Court of Auditors’ report on the annual accounts of the Clean Sky Joint Undertaking for the financial year 2011, 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 concerned, amongst others, the annual accounts of the Clean Sky Joint Undertaking.

In the Court's opinion, the **Clean Sky Joint Undertaking's Annual Accounts fairly present, in all material respects, its financial position as of 31 December 2011** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

It considers that the **transactions underlying the annual accounts** of the Centre for the financial year ended 31 December 2011 are, in all material respects, **partially legal and regular**.

The basis for this **qualified opinion** on the legality and the regularity of the transactions underlying the accounts concerns the ex-post audits completed as of September 2012 which covered EUR 44.3 million (18.8% of all cost claims received by the Joint Undertaking in 2008, 2009 and 2010). The error rate resulting from these ex-post audits was **6.16%.**

The report confirms that the Clean Sky Joint Undertaking's budget for 2011 amounted to EUR 192 350 991. Staff totalled 24 at the year end.

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

Court's comments:

- implementation of the budget: the Court states that the 2011 final amending budget included commitment appropriations of EUR 175 million and payment appropriations of EUR 159.8 million. The utilisation rate for commitment appropriations was 94 %, while the rate of payment appropriations was 64 %. The payment appropriation rate reflects delays in the implementation of the Joint Undertaking's activities. The low implementation of the budget is also reflected in the cash balance, which stood at **EUR 51 million at the end of the year** (32 % of the available payment appropriations in 2011). The Joint Undertaking, contrary to its financial rules, carried over EUR 68 million of payment appropriations to 2012 without a decision by the Governing Board.
- internal audit: despite the progress made during 2011, the Joint Undertaking has not yet fully established reliable internal control and financial information systems. In particular, further work is needed on the ex-ante control procedures applied for the validation of cost claims. The financial rules of the Joint Undertaking have not yet been amended to include the provision of the Framework Regulation referring to the powers of the Commission's internal auditor.

Joint Undertaking's replies:

- **qualified opinion**: the JU has implemented its ex-post audit process in the year 2011, approximately one year after having achieved its autonomy in November 2009. The scope of the first audits covered the validation process of the year 2010, which was the first one carried out by the JU. In the year 2010 the JU was still in a start-up phase and the ex-ante controls related to the grant management were not yet fully mature to manage the high volume of grants. With a view to the results of the first ex-post audit exercise carried out, the JU wishes to highlight the effectiveness of this element of its internal control system, **through which the management has detected and corrected errors incurred during the JU's ex-ante validation of cost claims**. Final corrective actions are still on-going. Since 2010, the JU has significantly developed its processes governing the validation of cost claims by setting up dedicated procedures including a database for grant management. The JU's management considers it important to ensure a multi-annual control architecture for the grant management of the Clean Sky JU, which takes into account the opportunities for standard recovery procedures as well as for preventive measures. This is why the JU's management has established control mechanisms and objectives for the multi-annual duration of the project, which are measured by indicators covering the entire program duration;
- on budgetary and financial management: the JU acknowledges the delay of the Governing Board decision approving the carry-over of payment appropriations to the budget plan of the year 2012. The time schedule for the JU's budgetary planning and reporting cycle has been revised in order to take care of the appropriate timely approval of the Governing Board for the carry-overs to the year 2013;
- as regards the internal audit: the JU had been made aware by the Internal Audit Officer (IAO) on the involvement of the IAO in some core processes in the financial management of the JU and the potential consequences on the independence of the IAO. The risk of a potential lack of assurance regarding the concerned processes will be mitigated through the involvement of the IAS if required.

Lastly, the Court of Auditors' report contains a summary of the Joint Undertaking's activities in 2011. The main tasks of the Clean Sky Joint Undertaking may be found at the following address: www.cleansky.eu

2011 discharge: Clean Sky Joint Undertaking

2012/2217(DEC) - 01/02/2013

Having examined the revenue and expenditure accounts for the financial year 2011 and the balance sheet at 31 December 2011 of the Clean Sky Joint Undertaking, and the report by the Court of Auditors on the annual accounts of the Joint Undertaking for the financial year 2011, accompanied by the Joint Undertaking's replies to the Court's observations, the Council recommends 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 2011.

The observations in the Court of Auditors' report in relation to the financial year 2011 call for some comments by the Council, which may be summarised as follows:

- the Council welcomes the Court's opinion that, in all material respects, the Joint Undertaking's annual accounts present fairly its financial position as at 31 December 2011 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 that financial year are legal and regular, with the exception of the matter described below;
- however, **it regrets the Court's qualified opinion on the legality and regularity of the transactions underlying the accounts**, due to the high error rate resulting from the ex-post audits carried out for the first time, on the basis of a risk-based and not representative sample selected by external auditors. The Council urges the Joint Undertaking to take the necessary corrective action to recover the amounts unduly paid;
- the Council calls on the Joint Undertaking to pay due attention to the proper implementation of commitment and payment appropriations in the course of the budgetary year, in line with the budgetary principle of annuality, thus **avoiding excessive carry-overs**. The Council invites the Joint Undertaking, in cooperation with the Commission, to adapt, if necessary, its financial programming to real needs with the intention of limiting the risk of over-budgeting. It urges the Joint Undertaking to consult its Governing Board for prior approval of any possible carry-over of appropriations to the next financial year, as foreseen in its Financial Rules, and to properly issue recovery orders relating to the payment of membership contributions;
- moreover, the Council asks the Joint Undertaking to : (i) improve its internal control and financial information systems; (ii) respect the principle of segregation of duties of the verifying and authorising officers; (iii) amend its Financial Rules in order to ensure the respect of the powers of the Commission's internal auditor; (iv) set up internal procedures ensuring the respect of the provisions on the protection, use and dissemination of research results, as foreseen in the consortium and grant agreements.

2011 discharge: Clean Sky Joint Undertaking

2012/2217(DEC) - 21/03/2013 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Gerben-Jan GERBRANDY (ADLE, NL) on discharge to be granted to the Executive Director of the Clean Sky Joint Undertaking in respect of the implementation of the Undertaking's budget for the financial year 2011.

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2011 are reliable but has **delivered a qualified opinion on the legality and the regularity of the transactions underlying the Undertaking's accounts**, Members approve the closure of its accounts. However, they make a number of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies:

- **Financing, budget and financial management**: Members recall that the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 800 million to be paid from the budget of the Seventh Research Framework Programme. They take note that the Joint Undertaking's final amending budget for the financial year 2011 included commitment appropriations of EUR 175 million and payment appropriations of EUR 159.8 million.
- **Implementation rate of appropriations and carryovers**: they further acknowledge that the utilisation rates for commitment and payment appropriations were 94% and 64% respectively. They call for a detailed progress report on those shortcomings which makes specific proposals for a gradual improvement in utilisation rates. Members express concern that the low rate for the payment appropriation reflects delays in the implementation of the Joint Undertaking's activities.
- **Qualified opinion of the Court of Auditors**: Members are concerned that annual accounts of the Joint Undertaking received a qualified opinion from the Court of Auditors on the legality and the regularity of the transactions underlying those accounts on the grounds that the error rate resulting from the ex post audits was 6.16%. They reiterate that the Joint Undertaking should reinforce without delay the quality of its ex-ante controls related to the grant management. They request that the discharge authority is informed of the results of the following ex-post audit processes conducted by the Joint Undertaking and that a detailed progress report be produced which makes specific proposals for a gradual reduction in error rates.

Members made a series of observations as regards the Joint Undertaking's internal audit as well as other management matters.

Lastly, Members invite the Court to provide, within a reasonable deadline, a special report to Parliament on common issues due to the nature of the joint undertakings in order to ensure **their added value and efficient execution of Union research, technological development and demonstration programmes**. They note, furthermore, that the report should include an assessment of the **effectiveness of the joint undertakings' establishment and structure**.

2011 discharge: Clean Sky Joint Undertaking

2012/2217(DEC) - 17/04/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a decision on discharge to be granted to the Executive Director of the Clean Sky Joint Undertaking for the financial year 2011. The vote on the decision to grant discharge covers the closure of the accounts (in accordance with Annex VI, Article 5(1) of the European Parliament's Rules of Procedure).

Noting that the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts of the Joint Undertaking for the financial year 2011 are reliable but that it had delivered **a qualified opinion on the legality and the regularity of the transactions underlying the Undertaking's accounts,** Parliament approved the closure of the accounts. It, however, adopted a series of recommendations that need to be taken into account when the discharge is granted, in addition to the general recommendations that appear in the draft resolution on performance, financial management and control of EU agencies.

- **Financing, budget and financial management:** Parliament recalls that the maximum contribution for the period of 10 years from the Union to the Joint Undertaking is EUR 800 million to be paid from the budget of the Seventh Research Framework Programme. It takes note that the Joint Undertaking's final amending budget for the financial year 2011 included commitment appropriations of EUR 175 million and payment appropriations of EUR 159.8 million.
- **Implementation rate of appropriations and carryovers:** Parliament further acknowledges that the utilisation rates for commitment and payment appropriations were 94% and 64% respectively. It calls for a detailed progress report on those shortcomings which makes specific proposals for a gradual improvement in utilisation rates. Parliament expresses concern that the low rate for the payment appropriation reflects delays in the implementation of the Joint Undertaking's activities.
- **Qualified opinion of the Court of Auditors:** Parliament is concerned that the annual accounts of the Joint Undertaking received a qualified opinion from the Court of Auditors regarding the legality and the regularity of the transactions underlying those accounts on the grounds that the error rate resulting from the *ex post* audits was 6.16%. It reiterates that the Joint Undertaking should reinforce without delay the quality of its *ex-ante* controls related to the grant management. It requests that the discharge authority is informed of the results of the following *ex-post* audit processes conducted by the Joint Undertaking and that a detailed progress report be produced which makes specific proposals for a gradual reduction in error rates.

Parliament also makes a series of observations as regards the Joint Undertaking's internal audit as well as other management matters.

Lastly, Parliament invites the Court of Auditors to provide, within a reasonable deadline, a special report to Parliament on common issues which occur due to the nature of the joint undertakings in order to ensure their **added value and efficient execution of Union research, technological development and demonstration programmes.** It further notes that the same report should include **an assessment of the effectiveness of the joint undertakings' establishment and structure**.

2011 discharge: Clean Sky Joint Undertaking

2012/2217(DEC) - 17/04/2013 - Final act

PURPOSE: to grant discharge to the Clean Sky Joint Undertaking for the financial year 2011.

NON-LEGISLATIVE ACT: Decision 2013/616/EU of the European Parliament on discharge in respect of the implementation of the budget of the Clean Sky Joint Undertaking for the financial year 2011.

CONTENT: with the present decision, and in accordance with Article 319 of the Treaty on the Functioning of the European Union (TFEU), the European Parliament grants discharge to the Executive Director of the Clean Sky Joint Undertaking in respect of its budget for the financial year 2011.

This decision is in line with the European Parliament's resolution adopted on 17 April 2013 and comprises a series of observations that form an integral part of the discharge decision (please refer to the summary of the opinion of 17 April 2013).

A parallel decision, 2013/617/EU, adopted on the same day, approves the closure of the Undertaking's accounts for the 2011 financial year.