

2009 discharge: SESAR Joint Undertaking to develop the new generation European air traffic management system

2010/2188(DEC) - 20/10/2010 - Court of Auditors: opinion, report

PURPOSE: presentation by the Court of Auditors of its report on the annual accounts of the SESAR Joint Undertaking for the financial year 2009, together with the Joint Undertaking's replies.

CONTENT: in accordance with the tasks and objectives conferred on it by the Treaty on the Functioning of the European Union (TFEU), the Court of Auditors, in the context of the discharge procedure, addresses to the European Parliament and the Council a Statement of Assurance on the reliability of the annual accounts, as well as of the legality and regularity of the transactions underlying them of each EU institution, body or agency, on the basis of an external, independent audit.

This audit also covered the annual accounts of the SESAR Joint Undertaking.

In the Court's opinion, **the Agency's annual accounts presented "fairly, in all material respects", its financial position as of 31 December 2009** and the results of its operations and its cash flows for the year then ended, in accordance with the provisions of its Financial Regulation.

The Court also stated that the **transactions underlying the annual accounts** of the Agency for the financial year ended 31 December 2009 were, "in all material respects, **legal and regular**".

The report again confirmed that the budget for the development phase of the SESAR project is EUR 2.1 billion, to be provided in equal parts by the EU, by Eurocontrol and by public and private partners. The EU contribution is funded from the Seventh Research Framework Programme and the Trans-European Networks. Around 90 % of the funding from Eurocontrol and the other stakeholders will take the form of in-kind contributions. The final 2009 budget adopted by the Administrative Board included commitment appropriations of EUR 325 million and payment appropriations of EUR 157 million.

The report also included comments on the Joint Undertaking's budgetary and financial management, together with the Agency's replies. The main comments are as follows:

The Court's comments:

- deficiencies in the Joint Undertaking's budget implementation (the utilisation rates for commitment and payment appropriations were 97.1 % and 43.2 % respectively); there was also a positive budget outturn of EUR 84 million and deposits in bank accounts at the end of the year totalling EUR 86.8 million. This is at odds with the budgetary principle of equilibrium;
- deficiencies in the implementation of internal control systems (the Court's testing of a sample of 36 transactions identified several cases where internal controls had not operated correctly);
- problems in the valuation of the costs of the activities and the activation of assets;
- problems with the Financial Rules.

The Joint Undertaking's replies:

- the development phase will be characterised by an expected imbalance between revenues and expenditure, particularly in its early years;
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- the Joint Undertaking's operational programme management system is effective since the end of 2009;
- the Joint Undertaking remains confident that it will be able to identify the funding source and costs necessary to activate assets at a proper value when required ;
- the Joint Undertaking is moving progressively, with the Commission services, to implement the new financial rules.

Lastly, the Court of Auditor's report contained a summary of the Joint Undertaking's **activities in 2009** in the following areas:

- 69 % of the projects were initiated by the end of 2009 in line with the targets established in the work programme of 2009;
- new staff was recruited under the 'Staff Regulations of the EU';
- the Membership process was concluded with the Administrative Board decision to award the membership to the 15 pre-selected candidate members together with the award of activities.