

2015 discharge: ECSEL Joint Undertaking

2016/2201(DEC) - 29/03/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Miroslav POCHÉ (S&D, CZ) on discharge in respect of the implementation of the budget of the ECSEL Joint Undertaking for the financial year 2015.

The committee called on the European Parliament to grant the joint undertakings Executive Director discharge in respect of the implementation of the joint undertakings budget for the financial year 2015.

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 2015, Members called on Parliament to approve the closure of the joint undertakings 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:

Budgetary and financial management: the Joint Undertaking's final budget for the financial year 2015 included commitment appropriations of EUR 108 500 000 and payment appropriation of EUR 168 000 000. The budget implementation rate was 100 % and the payment appropriations execution rate was at 90.95 %.

Members expressed concern that the Court's report finds that it was impossible for the Joint Undertaking to calculate a reliable weighted error rate or a residual error rate because of the significant variation in the methodologies and procedures used by the national funding authorities (NFAs) and thus the Court could not conclude whether ex-post audits were functioning effectively.

Members recognised that the issue is related to the legal framework of the Seventh Framework Programme and thus not caused by the Joint Undertakings performance. Members highlighted that the issue regarding the variation in the methodologies and procedures used by the NFAs is no longer relevant for the implementation of Horizon 2020 projects.

They regretted that out of the 28 Participating States which were required to make a financial contribution to the operational costs of the Joint Undertaking proportional to the Unions financial contribution only 11 declared payments, totalling EUR 15 800 000.

Other observations: the report also contained a series of observations on key controls and supervisory systems, calls for proposals, the legal framework, internal audits and internal control standards to prevent fraud and irregularities.

Lastly, Members also noted concern following the risk-assessment within the Joint Undertaking, the internal audit services (IAS) performed a risk assessment of the Joint Undertaking, and is concerned that as a result it identified two high impact/high risk areas and two high risk/high impact area in the Joint Undertakings operational processes. They welcomed, however, the Joint Undertaking's already implemented and ongoing efforts to mitigate these risks.