



## Press Release

Luxembourg, 13 November 2017

### The EU's research Joint Undertakings: "Clean accounts, and transactions mostly compliant with the rules", say Auditors

The European Court of Auditors has issued unqualified ("clean") audit opinions on the accounts of the European Union's eight Joint Undertakings in the area of research, and signed them off as reliable. The auditors have also issued clean audit opinions on the financial transactions for seven of the undertakings, which complied with the relevant rules, and a qualified opinion for one.

The auditors today published their annual audits of the following EU research Joint Undertakings, i.e. the EU's public-private partnerships with industry and Member States in the area of research policy:

- F4E (ITER) – Development of Fusion Energy;
- BBI – Bio-Based Industries;
- Clean Sky – Clean Air Transport Technologies;
- IMI – Innovative Medicines Initiative;
- FCH – Fuel Cells and Hydrogen;
- SESAR – Single European Sky Air Traffic Management Research;
- ECSEL – Electronic components and Systems;
- S2R - Shift2Rail Innovative Rail Product Solutions.

*"Joint Undertakings play an important role in implementing specific aspects of European Union research policy," said Kevin Cardiff, the Member of the European Court of Auditors responsible for the audits of Joint Undertakings, "so it is very important that they produce reliable accounts and ensure their revenue and payment transactions comply with the rules. As auditors, we are pleased to see that, overall, their accounts are clean and that the only qualification on their transactions refers to an issue which is being phased out".*

The auditors concluded that the accounts of all eight Joint Undertakings presented were reliable, i.e. they presented their financial position, the results of their operations and their cash flows for 2016 fairly in all material respects. In addition, for seven undertakings the transactions underlying the accounts were legal and regular, i.e. they complied with the relevant rules. For the ECSEL Joint Undertaking, the auditors issued a qualified opinion as no reasonable assurance could

*The purpose of this press release is to give the main messages of the annual reports on the EU's research Joint Undertakings by the European Court of Auditors (ECA). The specific annual reports and their summary are on [www.eca.europa.eu](http://www.eca.europa.eu).*

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be obtained as to the reliability of its internal controls for FP7 grant payments, an issue linked to the control system established by its predecessors (the ENIAC and ARTEMIS Joint Undertakings). However, this is not relevant for the grant projects from the more recent Horizon 2020 programme.

The auditors also drew attention to issues related to budgetary implementation and management, internal control systems and procurement procedures, which do not affect their opinions. For the F4E Joint Undertaking, the auditors noted that positive steps have been taken to improve the management and control of the ITER project construction phase, but a risk of further cost increases and project delays remains.

### **Note to Editors**

Apart from the EU, which is represented by the European Commission, the members of the Joint Undertakings include various public and private partners from industry and research groupings, which make contributions to the funding of the Joint Undertakings' activities. Most Joint Undertakings follow a bipartite model with participation by the Commission and industry/research partners, or a tripartite model which also includes participation by the Member States. The F4E Joint Undertaking also includes participation by non-EU countries.

EU funding is provided by the EU research budget through the Seventh Research Framework Programme (FP7) and the EU Framework Programme for Research and Innovation (Horizon 2020). The industry and research partners provide in-kind and cash contributions. The Joint Undertakings' total budget in 2016 was €1.8 billion. At the end of the year, they employed 633 staff.

The European Court of Auditors audited the reliability of the accounts and the legality and regularity of the underlying transactions for the 2016 financial year for eight European research Joint Undertakings. The auditors carried out analyses, tested samples of revenue and payment transactions, assessed the key controls in their supervisory and control systems, and used the work of other auditors where appropriate. Today, they also issued a summary of their findings, which are used by the European Parliament and the Council or other discharge authorities.

In addition to the annual audit of accounts, the auditors' work programme for 2018 includes as a priority audit task a horizontal review of the Joint Undertakings to assess their added value and whether they are effective in implementing their programmes and achieving their objectives.

The annual reports on the EU's research Joint Undertakings, including their replies and a summary document, are available on the ECA's website in 23 EU languages.