













# Procedure file

Basic information		
DEC - Discharge procedure	<a href="#">2017/2186(DEC)</a>	Awaiting committee decision
2016 discharge: Shift2Rail Joint Undertaking - S2R Joint Undertaking		
Subject 8.70.03.06 2016 discharge		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 <a href="#">Budgetary Control</a>	 <a href="#">HAYES Brian</a>	20/09/2017
		Shadow rapporteur	
		 <a href="#">POCHE Miroslav</a>	
		 <a href="#">CZARNECKI Ryszard</a>	
		 <a href="#">DLABAJOVÁ Martina</a>	
		 <a href="#">OMARJEE Younous</a>	
		 <a href="#">TARAND Indrek</a>	
		 <a href="#">VALLI Marco</a>	
		 <a href="#">KAPPEL Barbara</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	 <a href="#">Industry, Research and Energy</a>	The committee decided not to give an opinion.	
	 <a href="#">Transport and Tourism</a>	 <a href="#">FERBER Markus</a>	03/10/2017
European Commission	Commission DG <a href="#">Budget</a>	Commissioner OETTINGER Günther	

Key events			
19/06/2017	Non-legislative basic document published	<a href="#">COM(2017)0365</a>	Summary
13/09/2017	Committee referral announced in Parliament, 1st reading/single reading		

Forecasts	
18/04/2018	Debate in plenary scheduled
18/04/2018	Vote in plenary scheduled

Technical information
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Procedure reference	2017/2186(DEC)
Procedure type	DEC - Discharge procedure
Stage reached in procedure	Awaiting committee decision
Committee dossier	CONT/8/10878

## Documentation gateway

Non-legislative basic document		<a href="#">COM(2017)0365</a>	19/06/2017	EC	Summary
Court of Auditors: opinion, report		N8-0049/2018 <a href="#">OJ C 426 12.12.2017, p. 0064</a>	19/09/2017	CofA	Summary
Committee draft report		<a href="#">PE613.434</a>	29/01/2018	EP	
Supplementary non-legislative basic document		<a href="#">05943/2018</a>	09/02/2018	CSL	
Committee opinion	TRAN	<a href="#">PE613.310</a>	21/02/2018	EP	
Amendments tabled in committee		<a href="#">PE618.283</a>	01/03/2018	EP	

## 2017/2186(DEC) - 19/06/2017 Non-legislative basic document

**PURPOSE:** presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2016, as part of the 2016 discharge procedure.

Analysis of the accounts of the Shift2Rail Joint Undertaking - S2R.

**CONTENT:** the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the EU's consolidated accounts for the year 2016 and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies, including the S2R JU, with a view to granting discharge.

Discharge procedure: the final step of a budget lifecycle is the discharge of the budget for a given financial year. It represents the political aspect of the external control of budget implementation and is the decision by which the European Parliament, acting on a Council recommendation, "releases" the Commission (and other EU bodies) from its responsibility for management of a given budget by marking the end of that budget's existence. The European Parliament is the discharge authority within the EU.

The discharge procedure may produce three outcomes: (i) the granting; (ii) postponement or; (iii) the refusal of the discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

Each agency is subject to its own discharge procedure, including the S2R JU.

The Shift2Rail Joint Undertaking: the S2R JU, located in Brussels (BE), was set up by [Council Regulation \(EU\) No 642/2014](#) and aims to contribute to the achievement of the Single European Railway Area, to a faster and less costly transition to a more attractive, user-friendly sustainable European rail system. It is set up for a period until 31.12.2024.

As regards the JUs accounts, these are presented in detail in the document published by the Joint Undertaking (please refer to the [annual activity report 2016 of the S2R](#)).

## 2017/2186(DEC) - 19/09/2017 Court of Auditors: opinion, report

**PURPOSE:** presentation of the EU Court of Auditors report on the annual accounts of the Shift2Rail Joint Undertaking for the financial year 2016, together with the Joint Undertakings 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 focused on the annual accounts of the Shift2Rail Joint Undertaking (public-private partnership in the rail sector). As a reminder, the Shift2Rail (S2R) Joint Undertaking, located in Brussels, was set up in June 2014 for a period of 10 years and started working autonomously on 24 May 2016. As the Joint Undertaking began autonomous operations in 2016, this years accounts are the first set of S2R financial statements audited by the ECA. Its objectives are to achieve a single European railway area; enhance the attractiveness and competitiveness of the European railway system; ensure a modal shift from road transport; and to maintain the European rail industrys leading position in the global market.

Statement of assurance: pursuant to the provisions of Article 287 of the Treaty on the Functioning of the European Union (TFEU), the Court has audited:

- the annual accounts of the S2R, which comprise the financial statements and the reports on the implementation of the budget for the financial year ended 31 December 2016;
- the legality and regularity of the transactions underlying those accounts.

Opinion on the reliability of the accounts: in the Courts opinion, the Joint Undertakings annual accounts present fairly, in all material respects, its financial position as at 31 December 2016, and the results of its operations and its cash flows for the year then ended in accordance with the provisions of its financial rules and the rules adopted by the Commissions accounting officer.

Opinion on the legality and regularity of the transactions underlying the accounts: in the Courts opinion, the transactions underlying the annual accounts for the year ended 31 December 2016 are, in all material respects, legal and regular.

The audit also revealed the following points:

- budgetary and financial management: the final 2016 budget included commitment appropriations of EUR 50.2 million and payment appropriations of EUR 52.3 million. The utilisation rates for commitment and payment appropriations were 94 % and 82 % respectively. Most of the payments made by the Joint Undertaking in 2016 were pre-financing payments for Horizon 2020 projects selected under the 2015 and 2016 calls for proposals;
- internal controls: the S2R Joint Undertaking set up an action plan for the implementation of its internal control framework, which takes into account the results of a risk assessment completed by the Commissions Internal Audit Service in December 2016;
- anti-fraud strategy: although the Commissions research anti-fraud strategy is mandatory for the S2R JU, the Court noted that at the end of 2016, the JU had not yet performed a specific anti-fraud risk assessment, nor had it established an action plan for the implementation of its own anti-fraud strategy.

Joint Undertakings reply: only in 2017 did the S2R Joint Undertaking make the first steps to establish its own anti-fraud action plan. This will be followed by an impact assessment establishing the key objectives to mitigate the main weaknesses found and an evaluation of the anti-fraud strategy and the action plan (June 2018).