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REPORT

on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2009
(C7-0247/2010 – 2010/2187(DEC))

Committee on Budgetary Control

Rapporteur: Georgios Stavrakakis

CONTENTS

	Page
1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION.....	3
2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION.....	5
3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	7
RESULT OF FINAL VOTE IN COMMITTEE.....	10

1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2009

(C7-0247/2010 – 2010/2187(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking¹,
 - having regard to the Council's recommendation of 15 February 2011 (5894/2011 – C7-0051/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it³, and in particular Article 5 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0131/2011),
1. Grants the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy discharge in respect of the implementation of the Joint Undertaking's budget for the financial year 2009,
 2. Sets out its observations in the resolution below;

¹ OJ C 342, 16.12.2010, p. 22.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 90, 30.3.2007, p. 58.

⁴ OJ L 357, 31.12.2002, p. 72.

3. Instructs its President to forward this Decision and the resolution that forms an integral part of it to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the Official Journal of the European Union (L series).

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2009 (C7-0247/2010 – 2010/2187(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2009,
 - having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking¹,
 - having regard to the Council's recommendation of 15 February 2011 (5894/2011 – C7-0051/2011),
 - having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
 - having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
 - having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it³, and in particular Article 5 thereof,
 - having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
 - having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0131/2011),
1. Approves the closure of the accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2009;

¹ OJ C 342, 16.12.2010, p. 22.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 90, 30.3.2007, p. 58.

⁴ OJ L 357, 31.12.2002, p. 72.

2. Instructs its President to forward this Decision to the Director of the European Joint Undertaking for ITER and the Development of Fusion Energy, the Council, the Commission and the Court of Auditors, and to arrange for its publication in the Official Journal of the European Union (L series).

3. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of its Decision on discharge in respect of the implementation of the budget of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2009 (C7-0247/2010 – 2010/2187(DEC))

The European Parliament,

- having regard to the final annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year 2009,
- having regard to the Court of Auditors' report on the annual accounts of the European Joint Undertaking for ITER and the Development of Fusion Energy for the financial year ended 31 December 2009, together with the replies of the Joint Undertaking¹,
- having regard to the Council's recommendation of 15 February 2011 (5894/2011 – C7-0051/2011),
- having regard to Article 276 of the EC Treaty and Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities², and in particular Article 185 thereof,
- having regard to Council Decision 2007/198/Euratom of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it³, and in particular Article 5 thereof,
- having regard to the Financial Regulation of the European Joint Undertaking for ITER and the Development of Fusion Energy, adopted by decision of 22 October 2007 of the Joint Undertaking's Governing Board (hereinafter 'ITER Financial Regulation'),
- having regard to Commission Regulation (EC, Euratom) No 2343/2002⁴ of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Regulation (EC, Euratom) No 1605/2002, and in particular Article 94 thereof,
- having regard to Rule 77 of, and Annex VI to, its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A7-0131/2011),

¹ OJ C 342, 16.12.2010, p. 22.

² OJ L 248, 16.9.2002, p. 1.

³ OJ L 90, 30.3.2007, p. 58.

⁴ OJ L 357, 31.12.2002, p. 72.

- A. whereas the Court of Auditors stated that it has obtained reasonable assurances that the annual accounts for the financial year 2009 are reliable and that the underlying transactions are legal and regular,
- B. whereas the Joint Undertaking is in a start-up phase and had not fully established its internal control and financial reporting systems by the end of 2009,
- C. whereas the ITER Financial Regulation is based on the framework Financial Regulation, which was recently amended to bring it into line with changes made to the general Financial Regulation,
- D. whereas on 9 October 2008 the Court of Auditors delivered Opinion No 4/2008 on the ITER Financial Regulation;

Implementation of the budget

- 1. Notes that the Joint Undertaking final 2009 budget was EUR 173 600 000 and its overall utilisation rate for payment appropriations was 65,3 %;
- 2. Recognises that the Joint Undertaking is still in a start-up period and that the underspending mostly relates to delays in the progress of the Euratom fusion programme, as was also reported by the Court of Auditors in 2008;
- 3. Notes that year-end bank deposits totalling EUR 42 000 000 represent a breach of the budgetary principle of equilibrium;
- 4. Considers it to be important, in order to define the application of this derogation from the general budgetary principle of equilibrium, to specify the conditions under which, if it is positive, the balance of the outturn account shall be entered in the budget of the Joint Undertaking of the following financial year;

Presentation of accounts

- 5. Calls on the Joint Undertaking to harmonise its accounts under the guidance of the Commission;
- 6. Acknowledges that unlike other Union joint undertakings, ITER is entirely publicly funded;

Internal control systems

- 7. Urges the Joint Undertaking to complete the implementation of its internal controls and financial information system;
- 8. Calls, in addition, on the Joint Undertaking to include in its Financial Rules a specific reference to the powers of the Internal Audit Service of the Commission as its internal auditor, on the basis of the provision set out in the framework Financial Regulation for the Community bodies;

9. Considers, in particular, that the role of the Commission as internal auditor should be to advise the Joint Undertaking on how to deal with risks, by issuing independent opinions on the quality of management and control systems and by issuing recommendations for improving the conditions of implementation of operations and for promoting sound financial management; considers it to be also essential that the Joint Undertaking submit to the discharge authority a report drawn up by its director summarising the number and the type of internal audits conducted by the internal auditor, the recommendations made and the actions taken regarding these recommendations;
10. Is of the opinion that, in view of the size of its budget and the complexity of its tasks, the Joint Undertaking should establish an audit committee, reporting directly to the Governing Board;

Financial Regulation

11. Urges the Joint Undertaking to amend its Financial Regulation in order to integrate the Court of Auditors' recommendations made in its Opinion No 4/2008 on that Regulation; considers further improvement to be necessary in relation to:
 - the exceptions to budgetary principles,
 - the role of the Internal Audit Service of the Commission,
 - the establishment of an audit committee,
 - late payment of members' contributions,
 - the rules on the award of grants,
 - the transitional provisions set out in Article 133 of the ITER Financial Regulation.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.3.2011
Result of final vote	+: 20 -: 3 0: 0
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Andrea Češková, Jorgo Chatzimarkakis, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Ingeborg Gräßle, Iliana Ivanova, Elisabeth Köstinger, Monica Luisa Macovei, Aldo Patriciello, Crescenzo Rivellini, Bart Staes, Georgios Stavrakakis, Søren Bo Søndergaard
Substitute(s) present for the final vote	Thijs Berman, Zuzana Brzobohatá, Derk Jan Eppink, Christofer Fjellner, Ivailo Kalfin, Marian-Jean Marinescu, Véronique Mathieu

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