Commission action plan towards an integrated internal control framework

2008/2150(INI) - 10/03/2009 - Text adopted by Parliament, single reading

The European Parliament adopted by 647 votes to 8, with 19 abstentions a resolution on the Commission action plan towards an integrated internal control framework.

Parliament stresses that, to support the strategic objective of receiving a **positive declaration of assurance from the European Court of Auditors**, the Commission adopted the aforementioned action plan to address 'gaps' in the Commission's control structures at the time. This plan identified 16 areas for action by the end of 2007, taking into account that improvement of financial management in the Union must be supported by a close monitoring of controls in the Commission and the Member States.

In this context, while Parliament welcomes the overall progress made in the development of the Action Plan and the fact that a majority of actions have been implemented and most of the gaps identified in the Action Plan filled, it regrets that the actions proposed lack clarity in some respects. It calls on the Commission to indicate at which stage it finds itself in the process of achieving an integrated internal control framework, and when it expects the measures taken to have **visible and positive effects**. Parliament regrets that, so far, the Commission has not been able to present complete and reliable figures on recoveries and financial corrections due to Member States' **reporting problems**.

Moreover, Parliament stresses that it is the impact of the actions which will form the basis of the evaluation of the success of the Action Plan (including through decreasing error rates) and that improvements should be seen in the European Court of Auditor’s Annual Report for 2008.

Parliament considers the actions envisaged by the Commission in its action plan and make the following observations:

- **acceptable risk of error (Actions 4, 10 and 10N of the action plan)**: Parliament regrets the fact that in two of the most important actions for this Parliament there is a degree of delay with regard to the planned calendar: (i) Action 4 concerning the launching of an inter-institutional initiative on the basic principles to be considered regarding the risks to be tolerated in the underlying transactions (Parliament urges the Commission to promptly adopt the promised communication on this issue, with the aim of re-launching the inter-institutional discussion on tolerable risk); (ii) Actions 10 and 10N on reliable information on the costs of the control systems and on possible means of simplification (Parliaments asks for a **better balance to be found between the need for controls and the aim of lessening the administrative burden for applicants and beneficiaries of EU funds**);
- **cooperation with the Member States is needed (Actions 1, 3, 3N, 5, 10, 10a, 11N, 13 and 15)** : Parliament asks the Commission to use every available tool at its disposal to fully implement these actions as soon as possible. It also calls on the Court of Auditors to report in more detail on cooperation;
- **annual summaries and management declarations (Actions 5 and 13)**: Parliament regrets that Parliament has until now not received complete information from the Commission concerning the assessment and comparative analysis of the first annual summaries presented. Moreover, it notes that, for the Court of Auditors, annual summaries do not yet provide a reliable assessment of the functioning and effectiveness of the system;
- **typology of error and relationship with recoveries and financial corrections (Action 11N)**: Parliament regrets the fact that, despite the considerable efforts made by the Commission, it was

unable to present complete figures or demonstrate that the figures eventually presented could be clearly reconciled with the published financial statements. It therefore encourages the Commission to complete the implementation of this important action in order to obtain a greater degree of compliance with reporting requirements;

- **cooperation with the National Supreme Audit Institutions (Action 8N)**: lastly, Parliament fully supports the cooperation started by the Commission with some of the National Supreme Audit Institutions in order to increase assurance as regards the execution of programmes in the Member States.