2008 discharge: EU general budget, section III, Commission

2009/2068(DEC) - 26/02/2010 - Document attached to the procedure

This document comprises the report from the Commission as regards Member States' replies to the Court of Auditors' 2008 Annual Report.

In accordance with Article 248 of the EC Treaty [Article 287 of the Lisbon Treaty], the European Court of Auditors (ECA) provide the European Parliament and the Council annually with a statement of assurance (the DAS) in the Court's annual report. Under the terms of the Financial Regulation, the Commission is required to inform Member States of the details of the ECA's annual report that relate to the management of funds for which they are responsible, as soon as the report has been transmitted.

On 10 November 2009, the Commission duly transmitted these findings and invited the Member States to fill in a three part questionnaire on the follow-up given to the Court's findings, questions related to simplification, the role of the Supreme Audit Institutions (SAIs), eligibility and specific risks, annual summaries and reporting on financial corrections. The summary of Member States replies is to be presented in a Commission report to the ECA, the Council, and the European Parliament before 28 February 2010 which is the aim of this report. It is accompanied by a Commission Staff Working Document.

The main conclusions can be summarised as follows:

- **DAS**:the 2008 DAS indicates that whilst there have been significant improvements and results are encouraging, there are still a number of challenges to be faced by both Member States and the Commission with respect to the attainment of a positive DAS for the legality and regularity of underlying transactions;
- **correction of financial errors**: the report notes that there is a need to make **further improvements with regard to the detection and correction of errors** at Member State level and the subsequent recovery procedures and reporting to the Commission. The Commission has included this in its action plan to improve its supervisory role in shared management. In addition, the Commission has been taking steps to improve coordination with Member States and the Court of Auditors. The Commission is working with the Court on establishing common ground for the treatment of various **types of errors**. The Court has also highlighted the fact that careful attention needs to be paid to the expenditure areas with a continuously high level of error. The Court has stated that in many instances the errors are a result of onerous and complex rules. Therefore, simplification, cautiously and correctly implemented continues to be a high priority;
- **annual summaries**: the Court also underlines the fact that the Commission should seek to gain assurance from the Annual Summaries and ex ante declarations of all Member States as well as other voluntary initiatives by certain Member States. The Commission will explore how to strengthen the value added of the annual summaries in the upcoming triennial revision of the Financial Regulation, for which it will make a proposal in May/June 2010;
- **supreme Audit Institutions (SAIs)**: the extent of the reporting on EU funding by SAIs can be considered as proof of their increasing role in monitoring EU funds. However, the objectives and the comprehensiveness of the reporting activities as well as the methodologies used are very different.