2010 discharge: EU general budget, Section III, Commission

2011/2201(DEC) - 27/02/2012 - Document attached to the procedure

This document sets out Member States' replies to the Court of Auditors' Annual Report for the year 2010.

In accordance with the Treaty, the Court of Auditors, in its annual report, issues a Statement of Assurance (DAS). This is submitted to the European Parliament and the Council and is the Court's formal opinion on the reliability of the accounts and on the legality and regularity of the underlying transactions.

The Financial Regulation applicable to the General Budget of the European Union states in Article 143(6) that as soon as the Court of Auditors has transmitted the Annual Report, the Commission shall inform the Member States concerned immediately of the details of that report which relate to management of the funds for which they are responsible, under the rules applicable. Member States should reply to the Commission within sixty days and the Commission transmits a summary of the replies to the Court of Auditors, the European Parliament and the Council before 28 February of the following year.

Following publication on 10 November 2011 of the Court's Annual Report for the budgetary year 2010, the Commission duly informed Member States of details of the report. This information was presented in the form of a letter and three questionnaires which Member States were required to complete:

- Annex I was a questionnaire on the paragraphs in the report referring to individual Member States;
- Annex II was a questionnaire on the audit findings which refer to each individual Member State and
- Annex III was a questionnaire on general findings related to the policies and programmes under shared management.

This report is an analysis of the Member States' replies and is accompanied by a Staff Working Document which comprises Member States' replies to Annex I and Annex III (see SWD(2012)0024).

Main conclusions: the results of the Court's 2010 Annual Report are generally encouraging since they indicate that the overall most likely **error rate for all EU spending is below 4%.** These results are particularly positive for policies directly managed by the Commission. Policy areas such as research and other internal policies, external aid, development and enlargement as well as administrative and other expenditure indicate continuous improvement.

In policy area **"agriculture and natural resources",** the situation remained relatively stable with a level of error close to the materiality threshold of **2%**.

In the policy area **"cohesion, energy and transport",** it is important to emphasise that the error rate was **still below the rates for DAS years 2006 - 2008**. This is an indication that the management and control systems in the policy area, although still partially effective, are working more efficiently for the current programming period, as compared to the previous period.

Member States replies to the report indicate that there is a continuing trend towards improvement in the management of EU funds. They outlined several initiatives taken and also stated their commitment to even further improvements. Simplification and training at all levels remain a top priority.

In addition, some Member States provided some complementary suggestions with regard to ensuring efficient management of EU funds and a more transparent discharge procedure.