# 2011 discharge: EU general budget, European Council

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OBJECTIVE: presentation of the Report of the Court of Auditors on the 2011 budget (section II – European Council).

CONTENT: the Court of Auditors published its 35th Annual Report on the implementation of the EU budget for the 2011 financial year.

In accordance with the tasks and objectives conferred on the Court of Auditors by the Treaty on the Functioning of the European Union, it provides under the discharge procedure, for both the European Parliament and European Council, a statement of assurance ("DAS") about the reliability of the accounts and the legality and regularity of the transactions of each institution, body or agency of the EU, based on an independent external audit.

The audit also focused on the budget implementation of the European Council.

On the basis of its audit work, the Court considers that payments for "Administrative and other expenditure" policy are, overall, significantly error-free. **The estimated error rate is 0.1 %.**

The Court, however, draws attention to the errors and weaknesses which did not affect the Court's conclusion. The Court examined a sample of **procurement procedures** and noted several weaknesses in the application of selection and award criteria, some of which had an impact on the results of the procedure. Other weaknesses relate to the organisation of cross border competition, to the management of automatic award procedures and to the respect of provisions as regards the drafting and filing of tendering documents.

The Court therefore recommended that the institutions and bodies of the EU took steps ensure that authorising officers improve **the design, coordination and performance of procurement procedures** through appropriate checks and better guidance.

The Court also made a number of comments specific to each institution or body of the European Union. These observations do not affect the positive overall appraisal given that they do not significantly affect overall administrative expenditure.

In the specific case of the audit of the European Council, the Court noted in particular the following points:

- **procurement:** five procurement procedures were examined. In two cases relating to cleaning services and to the purchase of service clothing and shoes, if tenderers did not propose a price for certain items of the tender, tender specifications enabled the European Council to estimate a price based on the average price submitted for this item by the other tenderers. The European Council thus modifies the value of the tender in a way which is not laid down in the Financial Regulation.