

# Special report 19/2012: 2011 report on the follow-up of the European Court of Auditors' special reports

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**PURPOSE:** to present the European Court of Auditor's Special Report 19/2012 on the ways to improve the financial management of the EU budget.

**CONTENT:** in its special report on the follow-up of the European Court of Auditors' Special Reports relating to 2011, the Court reviews the extent to which the Commission has implemented the recommendations of seven of the Court's special reports from the 2003-2009 period.

The Special Reports followed up covered three budgetary areas:

- agriculture,
- energy, and
- external actions.

The Court assessed the actions taken by the Commission in response to the Court's recommendations. The follow-up of audit reports is considered by international auditing standards as the final stage in the performance audit cycle of planning, execution and follow-up.

Approximately two-thirds of the recommendations reviewed related to effectiveness issues (e.g. the setting of strategic objectives, the preparation of project proposals, the design of projects, project performance, and monitoring and evaluation), with the remaining recommendations dealing with economy and efficiency issues (e.g. the occurrence of overpayments and the quality and timeliness of project selection methods).

**The Commission has fully implemented 29% of the recommendations examined**, while 49 % have been implemented in most respects, 20% in some respects, and 2% have not been implemented. Non-implementation only occurred in one case.

The Court found that the Commission has a system in place to manage the implementation of the Court's recommendations and the requests by the Parliament and Council, but this system needs to be strengthened to enable the Commission to respond in a timely, efficient, and effective manner.

**Court's conclusions:** the Court's follow-up exercise indicates that, the Court's audit reports have contributed to improvements in financial management taking place in a number of areas of the EU budget.