



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 20 June 2012

11633/12

FIN 459
FSTR 55
REGIO 89
SOC 592

"I/A" ITEM NOTE

from: Working Party on Structural Measures
to: Permanent Representatives Committee (part II) / Council

No. prev. doc.: 9796/12 FIN 338 FSTR 39 REGIO 57 SOC 351

Subject: Council conclusions on Special report No 3/2012 by the European Court of Auditors: Structural Funds: Did the Commission successfully deal with deficiencies identified in the Member States' management and control systems?

1. On 30 April 2012, the Council received the Special Report No 3/2012 "Did the Commission successfully deal with deficiencies identified in the Member States' management and control systems?"¹, adopted by the Court of Auditors at its meeting on 18 January 2012.
2. Pursuant to the rules laid down in the Council conclusions on improving the examination of special reports drawn up by the Court of Auditors², the Permanent Representatives Committee (Part II) at its meeting on 16 May 2012 instructed the Working Party on Structural Measures to examine this report according to the rules laid down in the abovementioned conclusions.

¹ Doc. 9796/12 FIN 338 FSTR 39 REGIO 57 SOC 351.

² Doc. 7515/00 FIN 127 + COR 1.

3. The Working Party on Structural Measures has examined the Special Report and reached an agreement on draft Council conclusions at its meeting on 19 June 2012.
 4. The Permanent Representatives Committee is therefore invited to recommend to the Council to adopt, as an "A" item, these draft Council conclusions as set out in the Annex.
-

**Draft Council conclusions on Special Report No 3/2012 by the European Court of Auditors:
Did the Commission successfully deal with deficiencies identified in the Member States'
management and control systems?**

THE COUNCIL OF THE EUROPEAN UNION,

- (1) STRESSES the importance of the principle of shared management within Cohesion Policy, and EMPHASISES the importance of effective management and control systems in order to ensure that EU funds are efficiently and correctly used;
- (2) WELCOMES Special Report No. 3/2012 of the European Court of Auditors (hereinafter referred to as "the Court") on the Commission's successfully dealing with deficiencies identified in the Member States' management and control systems, and TAKES NOTE of its recommendations as well as the reply from the European Commission (hereinafter "the Commission");
- (3) RECALLS the Commission's aim to strengthen the focus on results and the effectiveness of cohesion spending by tying Cohesion Policy more systematically to the Europe 2020 objectives¹;
- (4) NOTES the Court's positive assessment of the Commission's readiness to take the appropriate actions, including corrective actions, when deficiencies in management and control systems were identified, while also NOTING that this process was often lengthy;

¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: A Budget for Europe 2020, COM (2011) 500 final of 29 June 2011.

- (5) NOTES that the Court's findings show that the Commission was able to obtain varying degrees of assurance that identified deficiencies in Member States' management and control systems were corrected, while also NOTING that the Commission carried out follow-up audits when needed;
 - (6) NOTES, however, that the Report focused on the actions taken by the Commission to correct deficiencies identified mostly from 2005-06 onwards in the 2000-06 programmes, and CONSIDERS that the Commission has already taken steps to respond to the Court's main recommendations;
 - (7) ENCOURAGES the Commission and Member States to continue and improve management and control systems in the current programming period with a view to optimising the implementation in the next programming period, starting in 2014;
 - (8) ENCOURAGES the Court to continue its thorough examination of programmes and projects financed under the cohesion policy and to contribute with its recommendations to designing this policy to become even more efficient and result-oriented in the next programming period, starting in 2014.
-