

Brussels, 19 February 2008

## **Commission adopts Action Plan to strengthen supervision under shared management for structural actions**

***The Commission has adopted an Action Plan for structural funds to address the Court of Auditors' recommendations on how to improve its supervisory role of management and control systems in Member States for structural actions.***

The Action Plan focuses on improving primary control at management level in Member States: this is the level which is most crucial to reduce potential risk. Gaps and errors at this level result from complex rules that are not correctly understood or applied, which is why reducing these through training and guidance beforehand for managing authorities is crucial.

As part of the process of reducing errors and improving audit systems, 25 Member States have either already sent annual summaries of their available audits and declarations for 2007, or will do so shortly. Examination and follow-up of the summary contents will play a crucial role in the Commission's efforts to improve its supervisory role. Member States that have not fulfilled their legal obligation by sending summaries, or whose summaries are incomplete, will be sent a letter requesting information. The letter will state that they face an infringement procedure if they do not comply.

**Danuta Hübner, Commissioner for Regional Policy**, said: "*The Commission attaches the highest importance to achieving improvements in shared management. This Action Plan is a practical response to the court of Auditors' recommendations and a means of working with Member States towards ensuring more reliable, consistent certification of expenditure. The Plan sets out specific actions to be carried out to strict deadlines. I am confident this pragmatic approach will achieve the results we all seek; that is to improve significantly the effectiveness of the first level of financial controls at Member States' level.*"

**Vladimir Špidla, Commissioner for Employment, Social Affairs and Equal Opportunities** said: "*Most EU funds are spent in the Member States, and the Commission will make sure that the taxpayer's money is used correctly. This action plan will help the Commission to control the spending of money in the Member States even better. It will allow us to improve ex-post controls, apply faster suspension mechanisms and launch financial correction procedures when ever necessary.*"

**Programming period 2007-2013:** Preventive action to improve the set-up of control and audit systems for 2007-2013 programmes from the very start, building in simplifications, is underway and will continue, so that any weaknesses are identified and dealt with at an early stage.

**Programming period 2000-2006:** Meanwhile, the Commission will step up efforts in a drive to close 2000-2006 programmes ensuring legality and regularity of payments

for that period. The Action Plan should ensure that more effective ex-post controls will remedy any remaining weaknesses in systems.

Reporting on Member States' own financial corrections will be improved, while the Commission will ensure faster use of suspension and financial correction procedures where necessary.

The Commission will promote the practice of reaching 'Contracts of Confidence' on Member State auditing systems as a means of ensuring reliability of national audit bodies. Six such contracts have already been signed with Austria, Denmark, Estonia, Portugal, Slovenia and U.K. (Wales).

Examination and follow-up of Member States' annual summaries of available audits and declarations will play a crucial role in this process.