

EN

2016

Work Programme



EUROPEAN
COURT
OF AUDITORS

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Welcome to our work programme for 2016. During the year we will continue to implement our 2013-2017 strategy to maximise the value of our contribution to EU public accountability. We plan to:

- focus our products on improving EU accountability;
- work with our partners in the accountability process;
- guarantee our continuing professionalism;
- make best use of our knowledge, skills and expertise; and
- demonstrate our performance and accountability.

These priorities are translated into specific audit tasks through a comprehensive planning process that involves reviewing EU developments and consultation with stakeholders, including the Committees of the European Parliament.

On page 2 you will find a list of the audit topics on which we plan to start work in 2016. These address key concerns such as energy and climate, the internal market, and asylum, migration and security.

In this document you will also find a comprehensive list of the special reports we intend to publish in 2016, as well as additional information about our annual reports, work programming process and institution.

Overall, we intend to produce more than 90 annual reports, special reports, opinions and other outputs in 2016. In this way we look forward to helping improve EU financial management and accountability in the interest of all citizens.

Vítor CALDEIRA,
President

Our high priority tasks in 2016

02

During 2016 we will start work on the following priority audit tasks:

Energy and climate

- Landscape review of EU energy and climate strategy
- Agricultural practices beneficial for the climate and the environment
- Aid for production and distribution of renewable energy in rural areas

Internal Market, including digital agenda

- EU measures to support the mobility of workers within the EU
- High speed broadband infrastructure in urban and rural areas
- Progress on the EU financial services Directive
- Doing business freely - limits to business in the single market
- European Rail Transport System
- Interregional roads
- EU co-financed investments in high speed rail lines

Asylum, migration and security

- EU's response to the refugee crisis
- Commission tools to protect against terrorism
- EU measures against Human Trafficking
- EU cooperation and financial aid to Tunisia
- EU aid to the Central African Republic through the EU Békou trust fund
- EU support to Myanmar
- EDF's regional programmes in Africa

Economic and financial governance

- Operation of the European Semester after 5 years of implementation

Europe 2020: mid-term review, and the closure of the 2007-2013 spending programmes

- Project performance and monitoring and evaluation systems
- Financial corrections in cohesion policy
- Absorption in cohesion policy
- Project selection in cohesion policy
- Basic payment scheme in agriculture

Assessing performance of EU Institutions, agencies and bodies: assessing performance

- Innovation and Networks Executive Agency
- Horizontal performance review of European Research Joint Technology Initiatives
- Review of the European Court of Justice

Our high priority tasks in 2016

Annual reports

We devote a significant proportion of our resources to preparing the annual **statements of assurance**, which we present in our annual reports. These are based on financial and compliance audits of the EU budget and European Development Funds, as well as the 52 EU agencies, decentralised bodies and other institutions. The audit work takes place between March of the financial year in question, through to June of the following year. This allows us to complete the annual reports according to the timetable set by the Financial Regulation. During 2016 we will work on the completion and publication of the statement of assurance for the 2015 financial year and start on the exercise for the 2016 financial year.

The work underlying the statement of assurance covers the two aspects on which the Treaty on the Functioning of the European Union requires us to provide an annual opinion: the **reliability of the accounts** and the **legality and regularity of the transactions** that underlie them. Where possible, we take account of the results of the work of **other auditors** as well as the representations of management in the form of the **annual activity reports** of the Directors-General of the Commission. Further information on the audit approach followed can be obtained from our website eca.europa.eu.

In performing our work in this area we aim to provide clear conclusions on the state of accounting and financial management of the EU budget (and specific spending areas), as well as to give practical, cost-effective **recommendations** where improvements can be made.

Our work programming process

We follow a rigorous three step process for selecting audit tasks aimed at achieving maximum impact from our work and making best use of our resources:

- (1) We carry out a yearly policy and risk review to identify risks to financial management, developments in policy areas, stakeholder priorities, results of recent audits, audit profession developments, and the work of other Supreme Audit Institutions.
- (2) Based on our priorities, we identify potential audit tasks. They are approved by the College to provide a basis for the annual work programme.
- (3) The annual work programme is prepared setting out the audit tasks to be implemented during the year and the resources allocated to them. It contains both permanent and recurrent tasks (financial and compliance audits), as well as priority tasks selected (performance audits). The work programme is reviewed and updated during the year, to take into account recent developments and changes to priorities.

The European Court of Auditors (ECA) is the guardian of the EU's finances. We contribute to the sound management of the EU's budget and assist the legislators of the European Parliament in holding to account the European Commission, its executive body.

The European Court of Auditors undertakes:

- **Financial and compliance audits** – on the reliability of annual accounts and the legality and regularity of transactions as required by legislation (notably the statement of assurance) as well as assessments of whether the systems or transactions of specific budgetary areas comply with the rules and regulations governing them.
- **Performance audits** – on the soundness of financial management (including value for money). These audits are on specific management or budgetary topics and often cover a number of financial years.

In addition to audits required by legislation, the ECA selects specific tasks at its own discretion on the basis of criteria such as risk of irregularity or poor performance, potential for improvement and public interest. Their complex subject matter means they can require more than a year to complete.

We publish the results of our audit work in the following types of report:

- **Annual reports** – present the results of financial audits of the EU budget and the European Development Funds (statements of assurance), and budgetary management and performance aspects.
- **Specific annual reports** – present the results of financial audits of the EU agencies and decentralised bodies.
- **Special reports** – present the results of selected performance and compliance audits on specific spending or policy areas, or budgetary or management issues.

In addition, we are called upon to provide our **opinion** on new or updated legislation with a financial impact. We recently introduced **landscape reports**, providing information and analysis of key issues based on our audit knowledge.

European Court of Auditors – Special reports to be published in 2016		
Audit subject	Area description	Objective of the task
Smart and Inclusive Growth – Competitiveness for growth and jobs		
Maritime Transport	According to the European transport policy investments in ports infrastructure, multi-modal terminals and interoperability are key to increase sustainable mobility in Europe. Furthermore, the 10-year strategy Europe 2020 proposed by the Commission in March 2010 for advancement of the EU economy aims at smart, sustainable and inclusive growth with greater coordination of national and European policy following on the Lisbon Strategy for the period 2000–2010. In the period 2000–2013, the EU co-financed seaport infrastructure investments for a total of around €5.4 billion.	To assess whether EU investments provided added value and resulted in growth, which is one of the main objectives of the Europe 2020 strategy.
Financial instruments	The relative importance of EU support being provided through financial instruments has increased during the 2007-2013 programming period, and for 2014-2020 there is a stated intention at the level of the budgetary authorities to allocate a larger share of EU funds to financial instruments. As of 31 December 2013, the cumulative amount paid through ERDF and ESF was €9.6 billion and for financial instruments implemented by the EIB and the EIF on behalf of the Commission this amounts to around €250 million for Transport and Energy.	To assess whether financial instruments have been an efficient mechanism to provide EU funding in the regional, social, and energy policy areas.
Nuclear Decommissioning	At the time of accession negotiations to the EU, the three candidate countries, Bulgaria, Lithuania and Slovakia, operated Soviet design nuclear reactors. It was concluded that these reactors could not be economically upgraded to the required safety standards, and that they should be shut down before their planned end-of-lifetime. The premature closure and decommissioning of these plants was recognised as a financial and economic burden for the Member States. The EU has been providing financial assistance. In 2011, the ECA published a Special Report (16/2011) on the performance of the first ten years of nuclear decommissioning assistance in Bulgaria, Lithuania and Slovakia.	To assess whether the Commission effectively improved the implementation of nuclear decommissioning programmes for the Ignalina, Bohunice and Kozloduy sites since 2011.
SME Guarantee Facility: Competitiveness and Innovation Programme (CIP) and the Loan Guarantee Facility (LGF) under the Competitiveness of Enterprises and SMEs (COSME)	Small and medium sized enterprises (SMEs) are the backbone of the European economy. They constitute about 98 % of all firms and employ around three-quarters of the work force. The SME Guarantee (SMEG) facility is a financial instrument to enhance the access to finance for SMEs and is managed by the European Investment Fund on behalf of the European Commission (DG ECFIN). The SMEG provides guarantees or counter guarantees to financial intermediaries for loans granted by financial institutions to SMEs. The ultimate aim is to increase the supply of debt financing to SMEs.	To assess the impact of the SMEG on the access to finance for SMEs and the effectiveness of the SMEG in the 2007-2013 period.

European Court of Auditors – Special reports to be published in 2016

Audit subject	Area description	Objective of the task
Smart and Inclusive Growth – Competitiveness for growth and jobs		
Implementation of the Services Directive	The Services Directive was adopted in 2006 with the aim of reducing legal and administrative barriers to both providers and recipients of services. This should be achieved by Member States through legal transposition of the Directive, increased transparency and simplified procedures which would make it easier for businesses and consumers to provide or use services in the Single Market. It covers services which contribute 46 % of EU GDP. All EU countries had to implement it by the end of 2009.	To assess the actions that the Commission had taken to support the Member States and to examine the enforcement measures which should resolve the issues of non-compliance that restrict the proper functioning of the single market for services.
Smart and inclusive growth – Economic, social and territorial cohesion		
Partnership agreements	Partnership agreements are one of the tools introduced through the Common Provision Regulation to make cohesion policy more effective and results-oriented, and have been introduced by the European Commission and each Member State for the 2014-2020 programming period. Partnership agreements set out the national authorities' plans on how to use funding from the European Structural and Investment Funds and outline each country's strategic goals and investment priorities, and are operationalised by Operational Programmes.	To assess whether the Commission was effective in negotiating Partnership agreements and Operational Programmes in cohesion policy so that they focus on results and performance.
Compliance with state aid rules	The ECA's annual reports regularly highlight the problem of state aid errors in the ERDF/cohesion policy area. These errors have become more and more significant over previous years, ranking among the key factors on the list of irregularities contributing to the most likely error.	To assess if the Commission and the Member States are taking appropriate and effective actions to address the problem of non-compliance with State aid rules in the ERDF/Coherence policy area.
Cohesion policy in education	Education is the responsibility of Member States with the EU playing a supporting role. National education systems are supported by the EU through several programmes and initiatives funded through different financial instruments. The ERDF co-finances education infrastructure projects as well as training activities under the objective Improving human capital which consists of design, introduction and implementation of reforms in education and increasing participation in education and training throughout the lifecycle.	To assess whether Cohesion spending contributes to the achievement of EU policy objectives.
ROMA integration	Roma population constitutes the most numerous ethnic minority in the EU, totalling close to 12 million citizens. The Roma are present throughout the European continent but are highly concentrated in Central and Eastern Europe. Demographic reasons, but also the pressing need to achieve social cohesion justify the growing concern for and interest in Europe's Roma community. Living standards of a high proportion of Roma persons remain characterised by extreme poverty, social exclusion and general rejection by the majority population.	To assess if the European Social Fund measures have been effective in developing and implementing proper social inclusion programmes for the Roma people.

European Court of Auditors – Special reports to be published in 2016

Audit subject	Area description	Objective of the task
Smart and inclusive growth – Economic, social and territorial cohesion		
Closures of 2007-2013 programmes	Cohesion and Rural Development policy areas share similar characteristics in terms of their policy objective, instruments, delivery mechanism and management and control system therefore the inherent and control risks of these spending schemes are also closely related. They are the two most error prone areas of the EU budget. Under both policy areas, the closure of a programme means the financial settlement of outstanding EU budgetary commitments (through the payment of the final balance to the Member States, the recovery of sums paid in excess by the Commission and/or the de-commitment of the outstanding balance of EU contribution to the programme).	To examine and compare the design of the arrangements for the closure of the 2007-2013 Cohesion and Rural Development programmes, and to analyse whether the main risks are adequately covered, whether the Commission is well prepared for the closure, whether the Member States are satisfied with the guidance the Commission provides to them, and whether the Member States consider themselves to be ready for the closure.
Rail Freight	Mobility of goods is an essential component of EU internal market and of the competitiveness of European industry and services, and has a significant impact on economic growth. The development of efficient and sustainable transport modes, such as rail and inland waterways, could result in a reduction of Europe's dependence on imported oil and cut greenhouse gas emissions. Rail freight transport is predominantly performed over long distances, above 300 kilometres, where it can be more easily competitive with the road sector. As a result, in the EU, it is regularly confronted with the crossing of borders and related interoperability issues. The promotion of rail freight transport has been a key part of the overall EU transport policy for the last 25 years. This overall EU policy objective has been translated into a series of directives mainly aimed at liberalising market access, promoting interoperability and safety, and reinforcing the competitiveness of rail freight.	To assess whether the EU actions are effective in enhancing rail freight transport. Particularly to assess whether the strategic and funding framework is appropriate and whether technical and organisational constraints have been identified and addressed by the Commission and the Member States.
Sustainable Growth – Natural Resources		
Baltic Sea strategy	The Baltic Sea is facing various environmental challenges. Eutrophication (the process resulting from excessive amounts of nutrient entering into water bodies) is generally considered to be the primary problem. The EU strategy for the Baltic Sea Region (EUSBSR) is the first macro-regional strategy adopted by the EU and is meant to promote regional cooperation, promote synergies, and avoid overlapping between different regional bodies and organisation.	To assess whether the EU actions combatting eutrophication in the Baltic Sea are effective.
Danube river basin II	Europe's waters are affected by organic and nutrient pollution as well as by pollution from chemical substances. Water pollution originates from various sources such as households, industrial installations and agriculture. The 2000 Water Framework Directive harmonised the previously existing EU legislation in the field of water policy. The Directive introduced the river basin management plan as a key implementation tool. The first plans were due in 2009 with updates required in December 2015. The EU provides significant funding to achieve water policy objectives in particular for investments in the field of waste water and for compensating farmers taking up agri-environment commitments (i.e. €6.17 billion and €6.25 billion respectively for the Member States in the Danube river basin under the 2007-2013 programme period).	To assess the adequacy of measures identified in the river basin management plans and implemented by the four Member States (the Czech Republic, Hungary, Romania and Slovakia) to address various pollution sources (households, industrial installations and agriculture).

European Court of Auditors – Special reports to be published in 2016

Audit subject	Area description	Objective of the task
Sustainable Growth – Natural Resources		
Animal disease eradication and monitoring programmes	The EU financial contribution to Member States for the eradication, control and monitoring programmes of certain animal diseases represents the largest amount of expenditure under the EU food safety budget. These programmes have three main objectives: (i) to progressively eliminate animal diseases and to implement disease monitoring measures in Member States and the EU as a whole; (ii) to ensure a high level of animal health, public health and consumer protection; and (iii) to improve the economic sustainability of the sectors directly or indirectly affected by an animal disease outbreak.	To assess whether the animal disease eradication, control and monitoring programmes adequately restrain animal diseases.
Farm household income	The incomes and standard of living of farmers are a particular focus of the Treaty and of the 2013 reform of the Common Agricultural Policy (CAP). Almost one-third of the EU budget is still directly or indirectly dedicated to supporting farmers' incomes and thus contributing to ensuring a fair standard of living of farmers. The new framework for monitoring and evaluating the CAP requires the Commission to assess the combined impact of CAP measures in relation to the objectives.	To assess whether the Commission's system for performance measurement in relation to farmers' incomes is well-designed and based on sound data.
EU Biofuels Policy	The use of energy from renewable sources constitutes an important part of the package of measures needed to reduce greenhouse emissions and comply with the Kyoto Protocol. Since the year 2000, Transport remains the sector with the highest energy consumption (33 % for EU-27 in 2011). The use of biofuels as a source of renewable energy in transport is part of the global effort to reduce greenhouse emissions. The EU has promoted the production and use of biofuels through legislative acts. However, the cultivation of crops used for the production of biofuels may have negative environmental effects if it causes the conversion to agricultural use of land with high biodiversity or carbon storage value. To avoid such negative effects, the EU legislation lays down that biofuels must comply with sustainability criteria which exclude using biomass obtained after use change of certain types of land (forests, grassland, wetland, peatland, etc.).	To assess whether the Commission and the Member States have set up a reliable system for certifying that only biofuels complying with sustainability criteria are placed on the EU market.
Cross-compliance	Cross-compliance was introduced into the Common Agricultural Policy (CAP) in the context of the 2003 reform with the aim to contribute to developing a sustainable agriculture through better farmers' awareness and meeting expectations of the society. Cross-compliance forms an integral part of the CAP and is applicable to around 80% of the total agriculture and rural development budget. Cross-compliance management is shared between the Commission and Member States. Member States are responsible for the implementation of cross-compliance, including setting up a control and sanction system. The penalties for non-compliance take the form of reductions in EU payments granted under the CAP. The Commission is responsible for checking that the Member States implement the system according to the legal requirements.	To assess whether the cross-compliance management and control system is simple and effective.

European Court of Auditors – Special reports to be published in 2016

Audit subject	Area description	Objective of the task
Sustainable Growth – Natural Resources		
Natura 2000	Natura 2000 is the largest ecological network of special protected conservation areas in the world, comprising nearly 26 000 sites and covering almost 18 % of the total EU terrestrial environment as well as substantial marine areas. Natura 2000 is a key element of the EU strategy to halt the loss of biodiversity and ecosystem services by 2020. The Commission assessed in 2013 that the benefits of Natura 2000 sites can be quantified at up to €300 billion per annum, which greatly exceeds implementation costs of between €5 and €9 billion per year. Natura 2000 is an EU wide network of nature protection areas established under the 1992 Habitats Directive. The aim of the network is to assure the long-term survival of Europe's most valuable and threatened species and habitats.	To assess if the implementation of Natura 2000 contributes effectively to halting of the loss of biodiversity in Europe.
Reliability of LPIS/GIS	The identification system for agricultural parcels (also known as "land parcel identification system" – LPIS) is a compulsory geographical module of the Integrated Administration and Control System (IACS). It identifies agricultural land for purpose of area related support schemes under both pillars of the CAP, of cross compliance and, where applicable, national area related support schemes. The identification system is based on maps, land registry documents or other cartographic references. The system collects information which is used for administrative cross-checks of area related support measures for both pillars of the CAP together represent annually more than €40 billion. It is a key tool for detecting irregularities relating to eligibility of areas declared by farmers as well as over declarations.	To assess the reliability, effectiveness and impact of LPIS/GIS across the EU.
Rural Development Programming	Recent special reports on rural development indicate that for certain measures the EU added value is not demonstrated, (the value resulting from an EU intervention should be additional to the value that would have been otherwise created by Member States acting alone). The budgeting for the European Agricultural Fund for Rural Development (EAFRD) 2014-2020 should have addressed these weaknesses.	To assess whether RDPs approved by the Commission for the 2014-2020 programming period adequately address the defined EU priorities for rural development, and examine whether the programming and approval process for 2014-2020 have resulted in programmes that provide a sound basis for an effective and efficient use of EU funds.
Preparedness for serious cross border health threats	Events such as the E.coli outbreak in Germany of 2011, the H1N1 pandemic of 2009, and the SARS have led to increased attention being given at international and EU level for preparing for cross border health threats. Such threats can be events caused by communicable diseases, biological agents, and threats of chemical, environmental or unknown criminal origins. In addition to the human and health related costs, these threats have the potential to cause very significant economic costs.	To assess whether the EU framework for protecting citizens from serious cross border health threats is adequately implemented.

European Court of Auditors – Special reports to be published in 2016		
Audit subject	Area description	Objective of the task
Sustainable Growth – Natural Resources		
Food Waste	Food waste is a recognised problem which has progressively moved higher on most public agendas in the recent years. A study published by the Commission estimates annual food waste generation in the 27 Member States at approximately 89 million tonnes; total food waste will have risen to approximately 126 million tonnes by 2020 (a 40 % increase) unless additional preventive actions or measures are taken. In the recent years food waste has become a priority on the EU agenda.	To assess whether the EU effectively combats food waste through different funds and provisions that can have an effect on food waste. Conversely, the audit will also examine whether instruments can hinder the fight against food waste. Specifically, the audit will focus on food waste prevention and donation of food that would otherwise have been wasted.
Climate action objectives	The EU has agreed that at least 20 % of its budget for 2014–2020 – 1 euro in 5 – should be spent on climate change related projects and policies. This commitment is supposed to triple the indicative share of 6 % to 7 % climate related expenditure in the EU 2007–2013 budget, leading to expenditure of as much as €180 billion for 2014–2020. The EU's approach to achieve this target is to mainstream climate action across the EU budget. The policy areas of cohesion, agriculture, environment and research are expected make up the largest contribution to the target. Actions include both climate mitigation and climate adaptation actions.	To assess whether the target of spending at least 1 euro out of 5 of the EU budget on climate action is likely be met and add value.
Rural development support for infrastructure	For the 2007–2013 programming period, the Member States allocated €13 billion of EU funds, supplemented by €6 billion of national spending, to investments in rural infrastructure through four measures in their Rural Development Programmes (RDPs). The funding was provided to private and public beneficiaries, in order to boost economic growth, enhance the attractiveness of rural areas and to improve their links with major infrastructures. The financed projects were mainly rural roads, water management schemes and social and cultural infrastructure.	To assess whether the principles of sound financial management (economy, efficiency, effectiveness) have been applied and whether the Commission and the Member States have achieved value for money with the rural infrastructure measures they decided to finance.
Global Europe		
EU assistance to Ukraine	Ukraine is the most important of the European Neighbourhood and Partnership Instrument (ENPI) East countries and occupies a key geopolitical position since independence in 1991. Ukraine receives EU assistance mainly through the ENPI with budget support. In 2014, the Commission launched a specific financial package of €11 billion in response to the crisis situation in Ukraine.	To assess the Commission's management of the budget support to Ukraine in the area of public finance management, fight against corruption and in the sector of energy, in particular the gas sector.

European Court of Auditors – Special reports to be published in 2016

Audit subject	Area description	Objective of the task
Global Europe		
Strengthening administrative capacity in the former Yugoslav Republic of Macedonia	The EU supports reforms in the enlargement countries by means of the Instrument for Pre-accession Assistance (IPA). The countries which have been granted the status of 'candidate countries' by the Council, could receive allocations from all IPA components. The assistance is differentiated according to needs, commitment to reforms and progress made. The former Yugoslav Republic of Macedonia has been allocated €615 million for the 2007-2013 period.	To assess whether the EU assistance has been effective and led to necessary reforms and progress in the former Yugoslav Republic of Macedonia.
Strengthening administrative capacity in Montenegro	The EU supports reforms in the enlargement countries by means of the Instrument for Pre-accession Assistance (IPA). The countries which have been granted the status of 'candidate countries' by the Council, could receive allocations from all IPA components. The assistance is differentiated according to needs, commitment to reforms and progress made. Montenegro has been allocated €236 million for the 2007-2013 period.	To assess whether the EU assistance has been effective and led to necessary reforms and progress in Montenegro.
ECHO support to populations affected by conflicts in the African Great Lakes region	The African Great Lakes (AGL) region has been prone to conflict for several decades. The resulting humanitarian crisis in the Democratic Republic of the Congo (DC) is among the world's most complex and protracted crisis. Towards the end of 2014, about 2.6 million people were internally displaced in the DC and more than 445 000 DC refugees were living in neighbouring countries. The Commission is providing humanitarian assistance to the region, amounting to €373 million for the period 2011 – 2015.	To assess the Commission's support to populations affected by conflicts in the African Great Lakes countries, the Democratic Republic of the Congo, Burundi, Rwanda, Uganda and Tanzania.
EU assistance to Moldova	EU assistance to Moldova is part of the Eastern Partnership. Negotiations on the Association Agreement and the Deep and Comprehensive Free Trade Area have proceeded swiftly and the bilateral assistance to Moldova has been sharply increased in the last years reaching a total of about €423 million of commitments for the 2010-2012 period.	To assess whether EU assistance to Moldova contributed effectively to strengthening public administration.
Meta-audit on the effectiveness of pre-accession assistance in the Western Balkans	The EU supports reforms in the enlargement countries by means of the Instrument for Pre-accession Assistance (IPA). IPA was established by a Council regulation to cover the 2007-2013 period. EU regulation No 231/2014 of the European Parliament and of the Council established a renewed IPA covering the 2014-2020 cycle (IPA II). The meta-audit covers the Western Balkans IPA beneficiary countries.	To assess whether IPA is effective in helping the transition in the Western Balkans region. Particular focus will be paid on the effectiveness of the Commission's management and on the results achieved in the field of administrative capacity.

European Court of Auditors – Special reports to be published in 2016		
Audit subject	Area description	Objective of the task
EU institutions, agencies and bodies		
EEAS European External Action Service management of delegation buildings	Since 2011, the EEAS has been responsible for the management of the EU's 145 delegations. They promote EU interests and values around the world and deliver trade and development cooperation. Delegation buildings include not only office accommodation for 5 400 staff, but also the residences of the Heads of Delegation and living accommodation for around 2 000 staff.	To assess whether the EEAS has a realistic and coherent strategy for its building needs which responds to organisational needs in an economic and efficient way.
Grant management by Agencies and Joint Undertakings	There are 10 agencies which finance beneficiaries' projects through grants. However, 90 % of the grant funding is made by four agencies. The Joint Undertakings aim to support collaborative research in their respective domains. They combine private-sector investment with EU and national public funding. Non-EU countries can be also involved.	To assess if the internal controls covering grant management are effective and whether high quality and successful projects are selected.
Public procurement in EU institutions	EU public procurement rules are designed to benefit both economic operators and public bodies. The related EU directive aims at facilitating the participation of economic operators in public procurement, and in particular the participation of small and medium-sized enterprises. The Financial Regulation defines the arrangements of the EU Institutions for concluding public contracts on their own account. This covers both operational and administrative expenditure. According to its Financial Transparency System (FTS), the Commission awarded contracts with a total value of about €3 billion in 2013, with €1.44 billion related to administrative expenditure. The Parliament concluded contracts for €617 million and the European Central Bank for €331 million.	To assess whether access to public procurement by the EU Institutions is well managed, including accessibility for tenderers and information on the procedures provided to stakeholders.
Financial and Economic Governance		
Single Supervisory Mechanism (Part I)	The Single Supervisory Mechanism (SSM) is one of the components of the European Banking Union. The other two parts are the Single Resolution Mechanism (SRM) and the Deposit Guarantee Schemes (DGS). The SSM and the SRM have transferred substantial powers and responsibilities from the national to the EU level. The relevant European bodies are expected to work closely together with the national bodies in order to ensure supervision and resolution of high quality. The SSM is mandatory for all euro zone countries and a precondition for the SRM. Other countries may join it voluntarily. The launch of the SSM has fundamentally changed the organisation of banking supervision in the euro zone as the overall micro-prudential supervisory authority has been raised to the euro zone level. The implementation of the SSM relies heavily on the joint supervisory teams (JSTs), comprised of staff from the European Central Bank (ECB) and from National Competent Authorities (NCAs).	To examine whether Joint Supervisory and On-Site Inspection Teams of the Single Supervisory Mechanism have been set up to work efficiently within an appropriate governance, audit and accountability environment.

European Court of Auditors – Special reports to be published in 2016

Audit subject	Area description	Objective of the task
Financial and Economic Governance		
Single Resolution Mechanism	The Single Resolution Mechanism (SRM) constitutes one of the three pillars of the European Banking Union together with the Single Supervision Mechanism (SSM) and the Deposit Guarantee Scheme (DGS). The set-up of the SRM involves several national and European bodies deciding whether the banks, and most importantly systemic banks with the potential of triggering a broader collapse of the EU banking sector, are insolvent and need to be resolved quickly over the course of 24 hours (if needed).	To examine the preparedness of the Single Resolution Mechanism.
Effectiveness of the Commission's intervention in the Greek financial crisis (Part I)	The aim of the economic adjustment programmes for Greece has been to support the Greek government's efforts to restore fiscal sustainability and to implement structural reforms in order to improve the competitiveness of the economy while regaining the confidence of the financial markets. Financial support in the form of loans with a wide range of maturities was accompanied by economic policy conditionality.	To assess whether the Commission's intervention in the Greek financial crisis was effective and whether it increased the confidence of the financial markets in the EMU.
Financial assistance provided to countries in difficulties	Seven years ago, Europe faced a sovereign debt crisis. It was a consequence of various factors, including weak banking supervision, poor fiscal policies, and the difficulties experienced by large financial institutions (and the consequent bailout costs borne by the general public). The crisis swept across EU Member States in two waves, first affecting the non-euro area countries in 2008-2009 and later spreading to the euro area itself. In total, eight EU Member States were forced to seek macro-financial assistance.	To assess the Commission's management of the financial assistance provided to five Member States (Ireland, Latvia, Hungary, Portugal and Romania).
Implementation of the Excessive Deficit Procedure	The Excessive Deficit Procedure (EDP) is the corrective arm of the Stability and Growth Pact, a rule-based framework for the coordination of national fiscal policies under the Economic and Monetary Union. The main objective is to avoid and correct deficits above 3 % of gross domestic product (GDP).	To assess whether the Excessive Deficit Procedure is soundly based and adequately implemented.
Reform of European Securities and Markets Authority (ESMA)	The global financial crisis in 2008 turned a searchlight on the credit rating agencies (CRA) and the impact of their ratings on financial markets. The activities of the CRAs, which by then were barely regulated in Europe, became an item on the legislative agenda of the EU. The European Securities and Markets Authority (ESMA) was established on 1 January 2011. One of its main tasks is to regulate credit rating agencies registered in the EU. To do so, ESMA has been given exclusive powers to register the credit rating agencies, to monitor their performance, and to take supervisory decisions. Currently, ESMA supervises 23 credit rating agencies registered in the EU.	To assess the effectiveness of the European Securities and Markets Authority's registration process and its supervision of Credit Rating Agencies.
Revenue		
Anti VAT fraud strategy	The single market, established on 1 January 1993, abolished border controls for intra-Community trade. As exports of goods and services to another Member State continued to be VAT-exempt, this has created a risk that these goods and services remain untaxed in both the supplying State and in the State of consumption. In addition to the revenue loss for Member States, uncollected VAT has an effect on the European Union's Own Resources.	To assess whether the EU is tackling intra-Community VAT fraud effectively.

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