



EUROPEAN COURT OF AUDITORS

WORK PROGRAMME 2008

THE PLANNED WORK OF THE EUROPEAN COURT OF AUDITORS IN 2008

Introduction

The European Court of Auditors is the external auditor of the European Union institutions. Most of our resources are devoted to the audit of the general budget of the European Communities, but also includes the European Development Funds and the EU's agencies and bodies. This document provides an overview of our planned work and output for 2008.

Background

The Court undertakes two main types of work:

Financial audit - on the reliability of accounts and the legality and regularity of underlying transactions. Financial audits are generally required by legislation (notably within the statement of assurance, or 'DAS') and mostly cover complete accounts for each budgetary year.

A key component of financial audit is **compliance audit** which looks at compliance of transactions or systems of specific budgetary areas with the relevant rules and regulations, often extended over a number of budgetary years.

Performance audit - on the soundness of financial management (including value for money). These are undertaken on specific management or budgetary topics covering a number of budgetary years.

Performance and compliance audit topics are **selected** at the discretion of the Court based on criteria such risk analysis, potential for improvement and public interest. Their complex and detailed nature means that they generally require more than one year to complete.

The Court publishes the results of its audit work in the following types of report:

Annual reports - presenting the results of financial audit in the form of a statement of assurance on the general budget and the European Development Funds. The two annual reports are published together in November.

Specific annual reports - presenting the results of financial audits on the Communities agencies and bodies.

Special reports - presenting the results of selected performance and compliance audits. Special reports can be published at any time during the year.

In addition, the Court is called upon to provide its **opinion** on new or updated legislation with a financial impact.

The Court - in line with other supreme audit institutions - carries out its work in compliance with **international auditing standards** to ensure the highest professional quality. This helps the Court achieve the required independence and objectivity required of the external auditor.

This document provides an overview of the Court planned work for 2008 in respect of:

- The Court's areas of **interest** for 2008.
- Work supporting the **statement of assurance**.
- For each financial perspective heading:
 - o **Special reports** likely to be published in 2008 on the results of performance or compliance audits started in previous periods.
 - o New selected performance or compliance **audit tasks** starting or ongoing in 2008, but for which the results are likely to be published in 2009 or beyond.

i) Issues of interest for 2008

The Court does not have the capacity to audit each area in detail every year. It therefore selects its performance and compliance audit tasks in order to make the most effective use of its resources. A number of factors are taken into consideration including the risks and amount of spending involved, the time since any previous audit, forthcoming developments in the regulatory or operational frameworks, and political or public interest.

The Court needs to respond to some new and some ongoing changes in EU management and accounting, including:

- the start of the new financial framework period 2007-2013 and the attendant multi-annual programmes and revised regulations, particularly in the Structural Funds;
- the new requirements of the revised financial regulation, notably the annual summaries of member states required for the first time in respect of 2007;

- the continuing development of an integrated internal control framework based on the Commission's action plan;
- the continuing consolidation of the introduction of accruals based accounting from the 2005 financial year;
- the ongoing introduction of the single payment schemes in agriculture.

In addition, the Court determines specific priorities, which for 2008 include the multi-annual nature of much of the expenditure, and the recoveries or corrections made in this context, innovation and the internal market, human capital, sustainable energy and the Commission's strategy to simplify the regulatory framework for business and citizens.

ii) **Statement of assurance**

A significant proportion of the Court's available resources - involving most of its divisions - is devoted to financial audit in the form of the **statement of assurance** (also known as the 'DAS'). This involves examination and testing of the EC general budget and European Development Fund accounts and transactions for each financial year. The work takes place between September of year n through to June of year n+1, to allow the annual reports to be published in November year n+1 in line with the Financial Regulation. Thus 2008 will see the completion and publication of the statement of assurance on the 2007 financial year, and the start of that for 2008.

The work underlying the statement of assurance covers the two aspects on which the EC Treaty requires the Court to provide an annual opinion:

Reliability of the accounts - whether the accounts completely and accurately reflect the assets and liabilities at the year end, as well as the accounting transactions of the year. The audit comprises the examination and testing of the accounting system and representative samples of accounting transactions.

Legality and regularity of underlying transactions - whether the transactions underlying the accounts - such as payments to individual beneficiaries - are correctly calculated and comply with all relevant rules and regulations. The audit comprises the examination and testing of internal control systems and - through the use of an audit assurance model - the

detailed testing of representative samples of underlying transactions.

In addition, the Court takes account - where it can - of the results of 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. For 2007 the Court will pay particular attention to the way the Commission uses the annual summaries of member states required for the first time. (Further information on the DAS approach can be obtained on the Court's website: www.eca.europa.eu).

In undertaking its work the Court aims to provide clear conclusions on the state of accounting and financial management for the different areas of the budget, as well as making useful **recommendations** where improvements can be made.

For its audit of the 2007 financial year the Court will further develop its examination of the **multi-annual** nature of a considerable proportion of Community spending and how it impacts on the Court's findings for the financial year. Particular attention will again be paid to recoveries, repayments and corrections and the extent to which these can be considered as compensating for the weaknesses found. The statement of assurance work will also continue the Court's examination of the introduction of **accruals-based accounting** and new accounting system, including a follow-up of the weaknesses identified for the 2006 and previous financial years.

The Court's **annual report** on the general budget for 2007 will be structured differently than previously, to reflect the change in the way the budget is now organised. The findings will be presented in terms of chapters covering logical groups of policy areas - closely but not completely aligned with the new financial framework headings - which will allow better focused results and more efficient use of Court resources. At the same time specific attention will be paid to improving the clarity and consistency of the presentation of results and conclusions, so aiding comprehension and readability.

iii) **Selected performance and compliance audit tasks in 2008**

2007 saw the introduction of the new financial framework headings. This document is presented around the new headings with indication given of the policy areas concerned. Further information on individual tasks is provided in the attached annex.

Each heading presents:

- the special reports planned for publication during 2008. At this stage the planning is indicative only¹; and
- the selected audit tasks, either ongoing or planned to start in 2008. Any resulting report is only likely to be published in 2009 (or beyond for particularly complex tasks).

Revenue - *traditional own resources and GNI and VAT resource*

Special reports planned for publication in 2008 include:

- binding tariff information;
- GNI and VAT-based own resources.

New or ongoing tasks in 2008 include:

- Simplified procedures and local clearance procedures.

Competitiveness - *research and energy and transport spending of the previous 'internal policies' heading*

Special reports planned for publication in 2008 include:

- effectiveness of the 6th framework programme ;
- Intelligent Energy Europe 2003 to 2006;

New or ongoing audit tasks in 2008 include:

- management of the GALILEO programme;
- research infrastructures.

¹ The Court has the right to choose if and how it publishes the results of its selected audits in the form of special reports. Publication is decided on a case-by-case basis, taking into account the best use of the Court's financial and human resources.

Cohesion - *the Structural and Cohesion Funds*

Special reports planned for publication in 2008 include:

- the EU solidarity fund;
- management of major projects in structural measures;
- Structural measures spending on waste water treatment;
- ISPA.

New or ongoing audit tasks in 2008 include:

- outermost regions;
- gender equality in the labour market.

Natural resources - *agriculture and the environment*

Special reports planned for publication in 2008 include:

- milk quotas in the new Member States;
- cross compliance issues;
- Clearance of accounts.

New or ongoing audit tasks in 2008 include:

- penalties and sanctions in CAP schemes;
- direct coupled payments;
- support for deprived persons.

Citizenship, freedom and security - *cooperation among Member States (former internal policies spending not included under Competitiveness)*

Special reports planned for publication in 2008 include:

- Effectiveness of public health actions.

New or ongoing audit tasks in 2008 include:

- mobility measure of the Leonardo da Vinci programme.

The EU as a global partner and **European Development Funds** - *aid for developing and transition countries*

Special reports planned for publication in 2008 include:

- rehabilitation and reconstruction following the Tsunami and Hurricane Mitch;
- TACIS: justice and home affairs in Belarus, Moldova and Ukraine.

New or ongoing audit tasks in 2008 include:

- pre-accession aid to Turkey;
- CARDS spending on justice and home affairs;
- banking measures in the Mediterranean area.

Administration - *administrative expenditure of the EU institutions, agencies and bodies*

Special reports planned for publication in 2008 include:

- sound financial management of EU agencies and bodies.

New or ongoing audit tasks in 2008 include:

- IT expenditure;
- management of the European Personnel Selection Office.

EUROPEAN COURT OF AUDITORS - SELECTED AUDITS 2008

Title	Policy area	Financial framework heading	Area description	Objective of the audit	Status
Effectiveness of the 6th Framework Programme	8; Research	1 a Sustainable growth: competitiveness for growth and employment	The objective of Community research is to promote cooperation with and between undertakings in high level research and technological activities. In this context, multiannual research framework programmes establish the scientific and technological objectives to be achieved, the relevant priorities, the broad lines of the research activities of the Community, the maximum overall amount of financing and the rules governing Community financial participation	To establish the extent to which the selected instruments designed under FP6 are effective in providing results which contribute to the objectives of Community research	Audit task
Intelligent Energy Europe (IEE)	6; Energy and transport	1 a Sustainable growth: competitiveness for growth and employment	The IEE is a Community support programme for non-technological actions in the field of energy. It aims to support sustainable development in the energy context, making a balanced contribution to the achievement of the following general objectives: security of energy supply, competitiveness, and environmental protection. It runs over the years 2003 to 2006 with a total budget of €250m.	To establish the extent to which: a) the Commission takes reasonable steps to ensure that the IEE programme is designed and implemented in an effective manner and adds value at the European level; b) the Commission ensures that the management and implementation system is efficient	Audit task
Management of the Galileo Programme	8; Research	1 a Sustainable growth: competitiveness for growth and employment	GALILEO is the largest industrial project ever organised by the Communities, the first European public-private partnership (PPP) expected to take place and the first public infrastructure to be owned by the European institutions. The planned budget for the system development phase (until 2009) is €1.5 billion.	To establish the extent to which the management of Galileo been efficient and effective in delivering the objectives of the programme's development phase.	Audit task
Management of major structural measures projects	13; Regional policy	1 b Sustainable growth: cohesion for growth and employment	The regulations define "major" infrastructure and productive investment projects essentially in terms of the volume of finance involved. In view of the economic significance and potential impact of these projects, they are subject to special preliminary examination procedures prior to approval. For the same reasons, relevant information must be collected so that the effects actually achieved can be assessed in comparison to those which had been expected.	To establish the extent to which the Community financing of major projects is adequately prepared by the Commission and whether the ex post evaluation of major projects generate results that are useful for future decision-making.	Audit task
The EU Solidarity Fund	13; Regional policy	1 b Sustainable growth: cohesion for growth and employment	The European Solidarity Fund (EUSF) was set up in 2002 in response to the serious floods in Germany, Austria, the Czech Republic and France. The Fund was intended to demonstrate solidarity with Member States suffering as a result of natural disasters. Up to the end of 2006 it had provided aid of over one billion euros in respect of 23 disasters.	To establish the extent to which the Fund provided a rapid response to the applicants, i.e. states or regions affected by a disaster, the aid was granted efficiently, the Fund's response to applicants was flexible without compromising the principle of equitable treatment and whether applicants are satisfied with the Fund.	Audit task
Gender Equality in the labour market	13; Regional policy	1 b Sustainable growth: cohesion for growth and employment	Equality of chances was initially one of the four pillars of the programming period 2000-2006, the objective of which is to achieve at least 60% of female participation in the labour market by 2010.	To establish whether the objectives of the programme are achieved.	Audit task

Title	Policy area	Financial framework heading	Area description	Objective of the audit	Status
The Instrument for Structural Policies for pre-Accession (ISPA)	13; Regional policy	1 b Sustainable growth: cohesion for growth and employment	ISPA provided assistance to contribute to the preparation for accession to the European Union of eight central European applicant countries in the area of economic and social cohesion, concerning environment and transport policies. Total budgetary commitments for ISPA for 2000 to 2006 was €5.1 billion, covering 262 projects.	To establish the extent to which the programming, appraisal and selection of the projects adequately respond to the policy objectives and the extent to which the projects achieved the expected performance.	Audit task
Structural measures spending on waste water projects	13; Regional policy, Environment	1 b Sustainable growth: cohesion for growth and employment	The ERDF and the CF are the main sources of financing for the European environmental policy. Budgeted environmental expenditure for the 2000-2006 period (Structural Funds and the C) was €25.8 billion, with €10.6 by earmarked for waste water treatment.	To establish the extent to which the results at project level are satisfactory, the projects help to improve environment at river-basin level and sustainability is assured.	Audit task
Outermost regions	13; Regional policy, Environment	1 b Sustainable growth: cohesion for growth and employment	The EU has developed a concept of "remoteness" to be applied to certain outlying regions of the Community. Since 1989 these regions have been granted substantial additional support in a number of EU policy fields, of which the structural funds contribute a significant part	To examine the efficiency and effectiveness of the structural fund programmes for outermost regions.	Audit task
Milk Quotas in the new Member States	5; Agriculture	2 Preservation and management of natural resources	With the enlargement of 1 May 2004, the ten new Member States took on the obligation to apply the milk quota scheme. The scheme requires Member States to adhere to production thresholds that are allocated to them separately for milk deliveries to dairies and direct sales to consumers, and provides for a financial penalty if the thresholds are exceeded.	To check the introduction and operation of the milk quota system in the new Member States at the end of the first marketing year in which it applied (1 May 2004 to 31 March 2005). The principal audit questions were as follows: Did the Commission negotiate the allocation of national reference quantities to the new Member States correctly? How did it support and supervise the extension of the scheme to these new Member States? Have the Member States created adequate structures to administer the milk quotas? Do their systems for managing and checking the activities of producers and purchasers comply with EU legislation? Does the milk quota scheme cover all the milk marketed in the new Member States? What influence has the introduction of quotas had on national dairy sectors? How has the introduction of quotas influenced national dairy sectors? How has enlargement affected the milk CMO?	Audit task
Direct coupled payments	5; Agriculture	2 Preservation and management of natural resources	On 26 June 2003, EU farm ministers adopted a fundamental reform of the CAP. As a rule subsidies will be paid independently of the volume of actual production. Nevertheless, a small number of coupled elements have been maintained to avoid abandonment of production. The audit will cover all the direct aid provided for in Title IV of the Regulation which remained coupled in the EU-15.	To establish whether the supervisory and control systems implemented by the Commission and the Member States to manage and control the direct coupled payments, give reasonable assurance concerning the legality and regularity of these payments.	Audit task
Storage of surplus cereal production	5; Agriculture	2 Preservation and management of natural resources	The EAGGF finances the storage of products removed from the open market in the interests of stability and consumer protection. When prices fall to a specified level, the Community pays for the cost of storage.	To establish whether intervention storage is managed economically.	Audit task

Title	Policy area	Financial framework heading	Area description	Objective of the audit	Status
Cross issues compliance	5; Agriculture	2 Preservation and management of natural resources	Cross-compliance is an instrument under which a farmer receiving direct payments must respect certain requirements and standards. In case of non-compliance, the direct payment may be reduced or cancelled. Cross compliance was introduced progressively from 1.1.2005 for pillar I and applies since 1.1.2007 for a large part of the rural development measures.	To establish whether the cross-compliance started well or not.	Audit task
Conformity audit of the Commission's clearance of accounts procedures	5; Agriculture	2 Preservation and management of natural resources	Each year the Commission takes conformity decisions based on the audits it carries out in Member States. These decisions are taken several times a year and group all corrections decided by the Commission at a certain date, irrespective of the EAGGF year and market or measure involved.	To establish the extent to which the decisions taken contribute to the sound financial management of the CAP	Audit task
Milk quota in the EU 25	5; Agriculture	2 Preservation and management of natural resources	Following enlargement it is necessary to assess whether the quota system is still an efficient measure to limit milk production at the desired level. In such case, budget expenditure may rise above the expected level.	To establish whether the system remains efficient and effective.	Audit task
Deprived persons	5; Agriculture	2 Preservation and management of natural resources	The measure exists since 1987 and concerns food aid provided to designated charitable organisations for distribution to most deprived citizens of the Community. Spending in 2008 is planned at 297 million euro. The objectives of the scheme are to reduce the stocks of the agricultural products in public intervention and thus to contribute to the stabilisation of the markets and to contribute to the well-being of the most deprived persons.	To establish whether the management of the measure has been successful from the point of view of economy and efficiency, whether the measure contributed to the well-being of the most deprived persons and whether the measure contributed to reduce the intervention stocks.	Audit task
Application of penalties and sanctions in agricultural spending	5; Agriculture	2 Preservation and management of natural resources	Council Regulation N°2988/95 requires administrative checks, measures and penalties which are effective, proportionate and dissuasive and provide adequate protection of the Communities' financial interests.	To establish what arrangements for penalties and sanctions exist under the CAP, the extent to which they meet the objectives of the regulation, the potential for simplification and whether they are correctly applied, recovered and accounted for.	Audit task
Effectiveness of Public Health actions	17; Health and consumer protection	3 b Citizenship , freedom, security and Justice: citizenship	The objectives of the Public Health Programme 2003-2008 are: to improve information and knowledge for the development of public health; enhance the capability to respond to health threats; promote health and prevent disease across all policies and activities.	To establish the extent to which Community funded public health actions are effective	Audit task
Rehabilitation aid following the Tsunami and hurricane Mitch	23; Humanitarian Aid	4 The European Union as a global partner	Following the Indian Ocean Tsunami of 26 December 2004, which killed over 200 000 people and caused damage of around 10 billion euro, the Court of Auditors reported on the Commission's immediate humanitarian aid response designed to prevent or relieve human suffering. This was followed by a longer-term rehabilitation phase to which the Commission contributed some 300 million euro.	To assess the Commission's performance in managing rehabilitation aid following Hurricane Mitch and the Tsunami through the following questions: did the Commission adequately identify the rehabilitation needs of those affected by disasters? do Commission procedures ensure that aid is implemented in a timely and efficient manner? have projects achieved their expected results including satisfactory links with short-term relief and longer-term development.	Audit task
CARDS spending on justice and home affairs	19; External relations	4 The European Union as a global partner	Spending from the CARDS programme on justice and home affairs.	To establish the extent to which the programme has been effective in strengthening the public administrations and improving the judicial system in the beneficiary countries and allowing organised crime to be combated effectively.	Audit task

Title	Policy area	Financial framework heading	Area description	Objective of the audit	Status
TACIS justice and home affairs programs in Belarus, Moldova and Ukraine	19; External relations	4 The European Union as a global partner	Spending on the justice and home affairs activities in the three countries in four sub-areas: migration and asylum, border management and visa control, organised crime, strengthening the judiciary, rule of law and good governance	To establish the extent to which the TACIS support for JHA projects has been successful, and the Commission has a learning process in place to take into account lessons for continued JHA assistance.	Audit task
Pre-accession aid to Turkey	19; External relations	4 The European Union as a global partner	Preaccession funds spent in Turkey	To establish whether the aid programme is effective.	Audit task
Non Governmental Organisations	19; External relations	4 The European Union as a global partner	The most common area of NGO involvement in development cooperation has been the use by the EC of European NGOs to channel aid. In the framework of the Cotonou Agreement, national NSAs (including NGOs) have participated in a consultative role in the different stages of the development process (programming, project identification, monitoring, evaluation etc).	To establish whether the implementation of the activities funded is effective	Audit task
Tacis Chernobyl	19; External relations	4 The European Union as a global partner	TACIS has directly assisted Ukraine in the establishment of a Master Plan for the decommissioning of Units 1-3, and for the treatment of operational waste of Unit 4. At the same time TACIS supported Ukraine in the establishment and regulatory review of the Shelter Implementation Plan (SIP).	To establish whether the Commission has adequately controlled the regularity and efficiency of the use of its financial contributions.	Audit task
Banking measures in the Mediterranean area in the context of the MEDA programme	19; External relations	4 The European Union as a global partner	In 1995 the Conference of EU and Mediterranean foreign ministers adopted the Barcelona Declaration aiming at the establishment of a comprehensive Euro-Mediterranean partnership	To establish the extent to which the banking measures in favour of Mediterranean countries under the MEDA II programme, and the related technical assistance for FEMIP, have been implemented in line with the relevant regulations and procedures, and how far the projects reached the intended target groups and achieved the desired objectives.	Audit task
Assistance managed by the Commission to developing countries in the health sector	21; Development and relations with African, Caribbean and Pacific (ACP) states	4 The European Union as a global partner	Key areas include the development of basic health systems and the fight against communicable diseases. EDF commitments total €691m for 2003-2005	To establish whether the EC development assistance has been effective in contributing to improving essential health services in sub-Saharan Africa since 2000 in the context of poverty reduction.	Audit task
Efficiency and effectiveness of the management of EPSO	26; Administration	5 Administration	The European Personnel Selection Office (EPSO) is an inter-institutional office established on July 2002 to organise open competitions to select highly qualified staff for recruitment to the institutions and advisory bodies of the EU	To establish the extent to which the management of EPSO in relation to the selection of officials is effective and efficient	Audit task
Treasury management of the Commission	26; Administration	5 Administration	General budget treasury within DG BUDG is divided into two sections "treasury" and "cash office". Treasury section deals with the selection and use of bank accounts, and the execution of payments and foreign exchange transactions. The cash office deals with reconciliation of bank accounts and the recording of receipts.	To establish the extent to which the Commission's treasury is managed in a sound manner and in conformity with the applicable rules.	Audit task

Title	Policy area	Financial framework heading	Area description	Objective of the audit	Status
Expenditure in the IT area (all Institutions but the Court of Auditors)	26; Administration	5 Administration	The Commission created a separate DG to deal with IT. Its mission is to define the IT strategy of the Commission and to provide modern high-performance information technology	To establish the extent to which the EU institutions have at their disposal robust information technology, capable of supporting policy goals while exploiting savings potential.	Audit task
Binding Tariff Information system	Revenue	Revenue	Binding Tariff Information (BTI) is a tariff classification decision given in writing by the customs authorities of a Member State at the request of economic operators. It is legally binding on all customs authorities within the European Union vis-à-vis the holder for up to six years from the date of issue.	To establish whether the Commission adequately manages the BTI system, and whether its procedures and mechanisms ensure that this system is working as intended, and whether the Member States apply the BTI system in accordance with the legal provisions.	Audit task
Sound Financial Management of Agencies and Decentralised Bodies	Various, depending on the agency	Various: depending on the agency	The so-called "regulatory" European agencies are independent, specialised bodies with responsibility for implementing certain aspects of Community sectoral policy. They are different from the executive agencies, which are responsible for implementing Commission programmes financed out of appropriations that remain in the general budget. They are subject to the principle of sound financial management to guarantee that their results meet their objectives.	To examine whether the regulatory agencies subject to the audit planned their activities adequately, had introduced sound tools for monitoring their activities and gave proper account of their activities and evaluated their results.	Audit task
Valuation of the EC participation in the capital of the EIF	Other	Other	The audit field is the participation of the EU in 30 % of the shares of the European Investment Fund. Key to this issue is the valuation of the EIF and the actual share price to be paid by the investors	To establish whether the EU participation in the EIF is valued in compliance with the applicable rules.	Audit task
Structural actions and deadweight	13; Regional policy	1 a Sustainable growth: competitiveness for growth and employment	State aid schemes and aid to vocational training are in particular subject to risks of significant deadweight effects. Deadweight can be defined as "the effects which would have taken place even in the absence of intervention". The study covers the measures concerned, notably the systems and actions set up at the Commission level and by the Member States in order to define deadweight effects in concrete terms.	To establish whether the Commission and the Member States were effective in estimating the deadweight effects for a sample of measures.	Preliminary study
The management of the EU competition policy	3; Competition	1 a Sustainable growth: competitiveness for growth and employment	Under the powers conferred by the Articles 81-88 of the EC Treaty (in the areas of cartels, abuse of a dominant position and state aid). DG COMP is to assure that competition in the EU single market is not distorted and that markets operate as efficiently as possible also in view of the welfare of consumers.	To be determined	Preliminary study

Title	Policy area	Financial framework heading	Area description	Objective of the audit	Status
Effectiveness and efficiency of the EU financial participations from the budget in Venture Capital operations	1; Economic and financial affairs	1 a Sustainable growth: competitiveness for growth and employment	The audit field are the EU financial participations from the budget in Venture Capital operations, mandated to the banking industry. These are mainly measures mandated to the EIF (in the context of the Growth and Employment initiative and in the context of the Multi Annual Programme.	To establish whether the Commission's venture capital measures, monitoring of the operations and evaluations are carried out in soundly manner.	Preliminary study
Research Infrastructures	8; Research	1 a Sustainable growth: competitiveness for growth and employment	The overall objective of the program is to promote the development of a fabric of research infrastructures of the highest quality and performance in Europe, and their optimum use on a European scale based on the needs expressed by the research community. Support for research infrastructures in the sub-programme is open to infrastructures throughout the fields of science and technology covered by Art.163 of the Treaty.	To be determined	Preliminary study
Implementation of DG REGIOs management plan	13; Regional policy	1 b Sustainable growth; cohesion for growth and employment	The management plan records the priorities for improvement in the management of the Regional Fund and Cohesion Fund activities. The objectives of the management plan include: ensuring maximum added value; efficient management and simplified administration; and emphasis on exchanging best practice.	To establish whether the Annual management Plan was correctly implemented and monitored.	Preliminary study
Interventions 2007-2013	13; Regional policy	1 b Sustainable growth; cohesion for growth and employment	In the 2007-2013 period, the cohesion instruments will be worth EUR 308 billion (in 2004 prices). The Inter-Institutional Agreement signed on 17/05/2006 provided the basis for Member States and regions across the EU to move ahead with the preparation of new programmes. In order to setup a new legislative framework for the New Programming period, the Community Strategic guidelines on Cohesion, the general regulation on Structural Funds and their specific fund regulation have been adopted during 2006.	To establish to which extent the Structural funds 2007-2013 programmes started soundly.	Preliminary study
Measuring the efficiency of Structural Fund funded activities	13; Regional policy	1 b Sustainable growth; cohesion for growth and employment	The Commission asked the Member States to monitor the unit costs of SF-funded activities (road building, training courses, etc). This forms an element in the evaluation of SF activities - but the Court has never focused on the issue.	To establish whether the Commission evaluates efficiency and whether the selected measures are effective.	Preliminary study
Tendering procedures	5; Agriculture	2 Preservation and management of natural resources	Following Special Report 9/2003 the Commission introduced tendering procedures for setting export refunds on certain milk products. Member States are responsible for the security of receiving tenders and transmitting non-nominative details of the offers to the Commission for decision after consultation of the relevant management committee.	To establish: whether there are clear and consistent rules governing tendering procedures for all expenditure; whether these rules respected by the Commission and Member States; and the Commission's monitoring and checking.	Preliminary study

Title	Policy area	Financial framework heading	Area description	Objective of the audit	Status
LIFE-nature projects effectiveness	5; Agriculture	2 Preservation and management of natural resources	LIFE Environment contributes to the development and demonstration of innovative policy approaches, technologies, methods and instruments, including the development or dissemination of best practice techniques, know-how or technologies.	To establish the extent to which the measures taken by the Commission are effective to disseminate the results of the projects funded and to provide support for information, communication actions and campaigns.	Preliminary study
The restructure of the sugar industry	5; Agriculture	2 Preservation and management of natural resources	The aim of the reform of the sugar sector, which came into force on 1 July 2006, is to ensure a long-term sustainable future for sugar production in the EU, to enhance the competitiveness and market-orientation of the sector, to strengthen the EU's position in world trade talks and to render the industry more competitive.	To establish whether the arrangements put in place are effective	Preliminary study
Implementation & management of electronic databases for SPS	5; Agriculture	2 Preservation and management of natural resources	The budget for SPS payments in 2006 was 14 635 million euro (ca. 25% of the total for agriculture). The SPS entitlements and payments are automatically calculated using a database. Those IT systems are the backbone of the administration system.	To establish whether the system put in place is reliable and effective.	Preliminary study
Leader	5; Agriculture	2 Preservation and management of natural resources	The Leader initiative consists of delegating to local actors (local action groups) large parts of implementing rural development at local level. Giving a large freedom to local action groups may lead to dispersion of action and possible loss of control on the spending of rural development money.	To be determined	Preliminary study
Certification procedures and declarations of assurance in the paying agencies	5; Agriculture	2 Preservation and management of natural resources	Certifying bodies perform an external audit on the accounts of the paying agencies in the Member States. They can be State run authorities or private audit companies. Commission bases much of its assurance as to legality and regularity of the accounts on the basis of these audits.	To establish the extent to which the declarations of assurance given by the Directors of the individual paying agencies are useful in the overall audit of EAGF expenditure.	Preliminary study
Effectiveness of measures in favour of aquatic habitats from the point of view of the development of fish resources	5; Agriculture	2 Preservation and management of natural resources	One of the reason often mentioned for fish resources becoming rare in the destruction or the pollution of aquatic habitats, and in particular areas where fish reproduce and migration routes. One of the new measures under the new European Fisheries Fund entitled "Protection and development of aquatic fauna and flora" to tackle this situation.	To establish whether the ex ante evaluation and selection of projects under the measure provide evidence for a reasonable assurance that the projects selected are effective?	Preliminary study
Modulation	5; Agriculture	2 Preservation and management of natural resources	Modulation is a concept of reduction in direct payments to farmers above a certain size threshold set for each enterprise, in favour of rural development actions. It is a CAP principle, which allows that funds ("modulated payments") from Pillar 1 (direct support schemes, like SAPS or SFPS) are transferred to Pillar 2.	To establish whether the system is operational, whether the funds are allocated between Member States according to objective criteria and whether the funds are effectively used to finance measures under the rural development.	Preliminary study

Title	Policy area	Financial framework heading	Area description	Objective of the audit	Status
Direct aids for specific types of farming and quality production	5; Agriculture	2 Preservation and management of natural resources	In the context of the coupled market measures (partial implementation of the SPS), Member States may retain up to 10% of the component of national ceilings corresponding to each sector which is subject to the SPS. Using these funds, Member States can make, on a yearly basis, an additional payment to farmers in the sectors concerned for specific types of farming which are important for the protection or enhancement of the environment or for improving the quality and marketing of agricultural products under conditions defined by the Commission.	To establish whether the objectives defined individually by the member States for the sectors concerned contribute to the overall objective of Art. 69 and whether the objectives defined by the Member States for the sectors concerned have been reached.	Preliminary study
The mobility measure of the Leonardo da Vinci programme for 2000-2006	15; Education and culture	3 b Citizenship , freedom, security and Justice: citizenship	Leonardo da Vinci is the action programme for implementing the European Community's vocational training policy, supporting and supplementing action taken by the Member States. The second programme covers the period 2000-2006. In 2006, 31 countries participated in the programme (all 25 EU MS + Bulgaria, Iceland, Liechtenstein, Norway, Romania and Turkey).	To establish whether the objectives of the programme are achieved and whether the management of the National Agencies is efficient.	Preliminary study
Effectiveness of EU assistance in the Southern Caucasus	19; External relations	4 The European Union as a global partner	The Caucasus region includes Armenia, Azerbaijan and Georgia (Southern Caucasus) as well as some parts of the Russian Federation, such as Dagestan, Chechenia, Ingushetia and North Ossetia (Northern Caucasus). Part of the EU assistance to the region is directed towards alleviating the consequences of conflicts and resolving them while part of the assistance has supported the national development programmes and building of regional transportation networks.	To establish whether EU assistance in the southern Caucasus is effective.	Preliminary study
European Union aid to the Palestinians	19; External relations	4 The European Union as a global partner	The EU (EC and Member States) provides annually more than half a billion euro to the Palestinians. The funding covers the Palestinian population not only in the West Bank and Gaza, but also in Lebanon, Jordan and Syria.	To establish whether the management of the aid is effective.	Preliminary study
United Nations organisations	19; External relations	4 The European Union as a global partner	General Budget and EDF aid is channeled through United Nations organisations. The Commission is increasingly implementing aid through United Nations organisations be it for emergency aid, post-conflict situations, traditional development programmes or wider Funds managed by UN organisations.	To establish whether needs are properly assessed and that projects are implemented economically and efficiently	Preliminary study
9th EDF Regional and Intra-ACP Cooperation	21; Relations with ACP states	4 The European Union as a global partner	Regional Cooperation covers six regional areas: West Africa, Central Africa, East Africa, Southern Africa, Caribbean and Pacific. In addition, Intra-ACP funding is available for "operations that benefit many or all ACP States" (Cotonou Agreement).	To establish whether the management of these programmes is effective and in particular if they are coordinated with national programmes.	Preliminary study
Simplified procedures and local clearance procedure	Revenue	Revenue	Simplified procedures, under Article 76 of the Community Customs Code (Council Regulation No 2913/92), include the use of partially-completed forms or commercial documents and local clearance procedures, whereby goods are entered for a customs procedure by means of an entry in the taxpayers' own accounting records.	To establish whether customs control is sufficient, whether Member States' customs administrations monitor properly the conditions for granting authorizations to use simplified procedures and whether goods are released for free circulation in compliance with Commercial Policy provided for in the Community legislation.	Preliminary study

Title	Policy area	Financial framework heading	Area description	Objective of the audit	Status
The management of non-Own Resources revenue by the Commission	Revenue	Revenue	In addition to Own Resources and surpluses, the Budget of the EU is made up of miscellaneous taxes and deductions from staff, revenue accruing from the administrative operation of the institutions such as sales, interest on investments, contribution and refunds in connection with Community Agreements and Programmes, interest on late payments and fines and borrowing and lending operations.	To establish whether the Commission's systems for ensuring that all such revenue is identified, recorded and recovered are efficient.	Preliminary study
Performance of Executive Agencies	Var; depending on the agency	Various	The executive agencies are created by the Commission and they remain under its control. They execute specific programmes under the Commission's responsibility, they have their own operating budgets but they implement operational appropriations of the Commission directly in the Commission budget.	To establish whether the establishment of the executive agencies is based on a reasonable approach, whether the executive agencies are providing value for money as expected and whether executive agencies have put in place procedures and instruments which ensure that their activities are properly managed.	Preliminary study
Pilot joint audit on direct budget support (DBS) to Tanzania in the context of the HOAP	EDF; European Development Funds	EDF; European Development Funds	The volume of DBS aid has increased substantially in recent years and now accounts for 28% of 9th EDF allocations. In the African countries it supports, the EC represents on average 27% of total DBS disbursements, and the World Bank 50%	To establish whether the DBS paid by donors was received by Tanzania and properly spent in accordance with the statutes of Tanzania and the underlying DBS agreement. To assess the progress made by the Tanzanian Government following the PEFA Report in reviewing and strengthening public procurement practices and the quality of monitoring by donor organisations	Preliminary study