

CORRIGENDA**Corrigendum to Annual Report of the Court of Auditors on the implementation of the budget concerning the financial year 2009, together with the institutions' replies**

(Official Journal of the European Union C 303 of 9 November 2010)

(2010/C 334/02)

On pages 158 and 159, Annex 6.4 is replaced by the following table:

FOLLOW-UP OF PREVIOUS OBSERVATIONS FOR EXTERNAL AID, DEVELOPMENT AND ENLARGEMENT

Court observation	Action taken	Court analysis	Commission reply
External relations and development			
1. <i>Monitoring of, and support to, organisations in charge of the implementation of EU-funded projects</i>			
<p>Regarding <i>ex ante</i> checks, weaknesses were noted including insufficient monitoring of, and support to, organisations in charge of the implementation of EU-funded projects.</p> <p>(2008 Annual Report, paragraphs 8.22 and 8.35)</p>	<p>Preparation of a Financial Management Toolkit for implementing organisations.</p>	<p>See report on the EDFs, Annex 4, row 2.</p>	<p>EuropeAid's Financial Management Toolkit for implementing organisations will be finalised and made available during 2010.</p>
2. <i>Budget support payments</i>			
<p>Regarding <i>ex ante</i> checks, weaknesses were noted in the case of budget support payments in the processes for verifying the fulfilment of the payment conditions.</p> <p>(2008 Annual Report, paragraph 8.22)</p>	<p>Widespread awareness throughout the Commission's services of the need to ensure a more structured and formal approach when assessing budget support payments including the strengthening of the role of verification by finance and contracts staff in the payment approval process.</p>	<p>See report on the EDFs, Annex 4, row 9.</p>	<p>EuropeAid will address this issue in the revision of the Budget Support Guidelines and the review of the peer review process for action proposals (Quality Support Group), planned for 2011.</p>
3. <i>System of external audits</i>			
<p>In respect of the use of external audits, one of the most important components of EuropeAid's internal control framework, the Court noted improvement in the processes. However, it concludes that these controls remain partially effective overall.</p> <p>(2008 Annual Report, paragraphs 8.23 and 8.24)</p>	<p>Reforms introduced since 2007 to the audit methodology in place complemented by a substantial revision of the annual audit plan methodology.</p>	<p>See report on the EDFs, Annex 4, row 3.</p>	<p>The Commission agrees that substantial improvements have been achieved in the audit planning process.</p>
4. <i>Risk management process</i>			
<p>The risk management process was found to be partially effective.</p> <p>(2008 Annual Report, paragraph 8.23)</p>	<p>Continuing efforts to raise awareness of the risk management process.</p>	<p>The risk management process was assessed as being overall effective.</p>	<p>EuropeAid's risk management methodology was completely revised in 2009 and compulsory awareness-raising training sessions were run for all units.</p>

Court observation	Action taken	Court analysis	Commission reply
5. <i>Ex post controls</i>			
<p>Important shortcomings were identified in respect of the <i>ex post</i> controls component of the DG RELEX's supervisory and control systems for ensuring the regularity of transactions.</p> <p>(2008 Annual Report, paragraph 8.25)</p>	<p>Close monitoring of the implementation of the <i>ex post</i> controls annual plans.</p>	<p>Notwithstanding the efforts and the progress made so far there are still important weaknesses to overcome.</p>	<p>DG RELEX is taking measures to address all recommendations received regarding <i>ex post</i> controls.</p>
Enlargement			
6. <i>IAC</i>			
<p>It was noted that the multiannual programme of the IAC was not sufficiently developed.</p> <p>(2008 Annual Report, paragraph 8.27)</p>	<p>IAC in 2009 developed a multiannual programme of its activities.</p>	<p>The Court considers this observation duly addressed by DG ELARG.</p>	
7. <i>Ex post controls of centrally managed projects</i>			
<p>It was noted that DG ELARG did not have a specific strategy for the <i>ex post</i> controls of centrally managed projects.</p> <p>(2008 Annual Report, paragraph 8.27)</p>	<p>During 2009 DG ELARG developed the strategy for the <i>ex post</i> control of centrally managed projects.</p>	<p>The Court welcomes the initiative of DG ELARG, but the new strategy will be put in practice only in 2010 and still needs to prove its effectiveness.</p>	<p>The implementation of the new strategy is currently showing its first positive results.</p>
8. <i>Potential irregularities in the management of Phare funds by two agencies in Bulgaria</i>			
<p>It was noted that fundamental weaknesses remained concerning potential irregularities in the management of Phare funds by two agencies in Bulgaria.</p> <p>(2008 Annual Report, paragraph 8.28)</p>	<p>During 2009 and following corrective actions from the Bulgarian authorities, DG ELARG lifted the suspension of payments to Bulgaria.</p>	<p>DG ELARG still needs to devote a special attention to the follow-up of the implementation of the post-accession funds in Bulgaria.</p>	<p>The implementation of the post-accession funds in Bulgaria will continue to receive the special attention needed until all programmes are closed.</p>
Humanitarian aid			
9. <i>IAC</i>			
<p>In 2008 the IAC did not operate yet in its full capacity due to the transferral of activities from EuropeAid's IAC.</p> <p>(2008 Annual Report, paragraph 8.29)</p>	<p>During 2009 IAC was properly staffed and implementing a full year working programme.</p>	<p>DG ECHO's IAC is functioning properly and providing assurance to DG ECHO's Director-General.'</p>	