1996 discharge: EC general budget

1997/2075(DEC) - 09/03/1998 - Document attached to the procedure

In its recommendation on the discharge to be granted to the European Commission on the implementation of the budget of the European Communities for the 1996 financial year, the Council made a number of comments relating to the points highlighted by the Court of Auditors in its report on the implementation of the 1996 budget by the Commission. The Council first recognised the need to ensure that taxpayers' money was used well. To that end, it pointed out that it wished for particular attention to be afforded to future management so that all the necessary lessons could be learnt from mistakes made (this being particularly important on the eve of the major Community political reforms resulting from enlargement) and to achieving results. For the Council, healthy financial management should ensure that expenditure was appropriate and justified. The Community had to conduct a rigorous evaluation of its needs and could not under the discharge procedure, merely observe that the credits had been effected. Stating that, for the third consecutive year, the Court of Auditors had not been able to give a positive overall assurance of the legality and regularity of the transactions underlying the payments in the financial year (SOA), the Council considered that the error rate was excessively high and unacceptable. That error rate was particularly worrying in the implementation of the Structural Funds, although the implementation of the EAGGF-Guarantee Section had improved since the introduction of the new clearance of accounts procedure. The Council considered that work should be done in the following areas: - consideration of the findings of the Court of Auditors in the implementation of the 1999 budget, - proposal of reforms under AGENDA 2000 in accordance with the principles of good financial management (particularly within the framework of the CAP), - rationalisation of the number of programmes (e.g. SME programme), - definition of clear objectives for certain Community programmes such as PHARE and TACIS, - improvement of the grant of financing to candidate third counties, - wider spread of expenditure over the year, - compliance with legal bases in budget implementation. At the same time, the Council welcomed the perseverance with which the Commission implemented the SEM 2000 initiative and called for efforts to be made to prevent wastage of Community monies. It also welcomed the measures taken with a view to recovering the sums incorrectly paid under PHARE and TACIS and the Commission decision to clarify its rules and procedures with a view to preventing irregularities. In addition, the Council recommended that the Member States ensure that the credits reached their recipients in the desired time, conduct the necessary controls and cooperate fully to recover the incorrectly paid sums. Considering, moreover, that, following ratification of the Treaty of Amsterdam, the Member States would have to cooperate to ensure that credits were used in accordance with the principle of good management, it called on the Commission to propose legislation for clear implementing rules in order to allow the Member States to ensure that the fund is soundly managed at national level. Pointing out, lastly, its great interest in the Commission's follow-up report following the discharge procedures, it called on the Commission and the Member States to learn all the necessary lessons from the recommendation and the criticisms appearing in the document. In conclusion, and in the light of the comments made in its recommendation, the Council recommended that the European Parliament grant a discharge to the Commission for the implementation of the budget of the Communities for the 1996 financial year.