EAGGF: discharge for clearance of 1992 EAGGF accounts

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In January 1997, Mr Martin ENGWIRDA, Member of the Court of Auditors, submitted to Parliament's Committee on Budgetary Control the special report No 1/ 97 on the Commission decisions on the clearance of EAGGF accounts for 1992. The report was drawn up at Parliament's request and serves as a basis for its decision on the discharge to be granted to the Commission. The latter is required to clear the annual accounts submitted by the Member States for expenditure incurred by them and funded from the EAGGF Guarantee Section and must ensure that only operations which have been carried out in a regular manner are financed by the Community budget. The Commission decisions dealt with in this special report, were adopted in April and November 1996 and entailed corrections in the amount of expenditure for the different sectors of almost ECU 900m (895.1m). The Court stresses the inadequacy of the resources allocated by the Commission to its inspections, particular as regard staff, and stresses the considerable delays by the Commission in notifying the Member States of the results of its inspections. The Courts main criticism concerns the fact that 37.5% of the corrections made in the clearance for 1992, i. e., a sum of ECU 336m, were implemented using the flat-rate method and this practice should be restricted in line with the conclusions of Parliament's discharge resolution for 1991. In addition, the Court considers that the application of the conciliation procedure for the first time in 1996 led to further delays in clearance, even though use of the procedure was deemed to be a 'positive development'. The Court also condemns the Commission's practice of reducing the size of the corrections when it considers that Member States are taking steps to improve their procedures and correct the shortcomings in their management.