1994 discharge: clearance of accounts EAGGF-Guarantee

1998/2012(DEC) - 25/05/1998 - Non-legislative basic document

OBJECTIVE: to outline the procedure adhered to by the Commission in clearing the accounts for the EAGGF Guarantee Section for 1994. SUBSTANCE: the communication explains the procedure followed by the Commission in clearing the accounts for the EAGGF Guarantee Section for 1994 and indicates the proposed financial corrections. It may be recalled that under Council Regulation (EEC) No 729/70 the Commission is required to clear the annual accounts submitted by the Member States for payments made under the EAGGF Guarantee Section. Clearance serves not only to rectify accounting errors but also to check whether expenditure has been incurred correctly. In an annex to the communication the Commission summarises the inspections performed in support of its clearance decision. The clearance of the accounts for 1994 pertains to an amount of ECU 33.6 bn. The proposed financial corrections amount to ECU 307.6 m (as against 650 m in 1993). The clearance procedure overshot its deadline of 31.12.1995 by a long way because of the cumulative delays of the Member States in returning their annual declarations of accounts and the slowness of the conciliation procedure used by most of them for proposed corrections. For major corrections, Member States may use a conciliation procedure. These corrections are then brought before the conciliation body of the Member State concerned. For 1994, in half of the cases in which the conciliation procedure was used the Commission upheld the proposed corrections. In the other half, Member States agreed to reduce their correction rates, either because the States concerned had supplied supplementary information or because the conciliation body had considered that the correction originally proposed was excessive in relation to the risk of real loss to the Fund. The Directorate-General for Financial Control was consulted throughout the procedures. The supplementary corrections, amounting to approximately ECU 120 m, cannot be proposed, as the conciliation procedures relating to them have not been definitively completed. They will be dealt with in connection with the clearance of the 1995 accounts (at the end of 1998). The proposed clearance decision does not cover advances paid to arable farmers (ECU 1384.3 m). It is suggested that these should be cleared with the other expenditure declared for the 1995 financial year and with other items held over on account of inquiries in progress, totalling ECU 371.4 m. However, it is proposed that the rest of the expenditure, totalling ECU 31 409.7 m, should be cleared.