2000 discharge: European Agency for reconstruction financial accounts, aid for Kosovo

2001/2238(DEC) - 10/10/2001 - Non-legislative basic document

PURPOSE: to present the report from the Court of Auditors on the financial accounts of the European Agency for Reconstruction and the implementation of aid for Kosovo in the year 2000. CONTENT: In preparing its examination of the EAR the Court of Auditors focused on five principle elements: 1. The financial statements of the EAR for the financial year ended 31/12/00; 2. The efficiency of the EAR in Kosovo in 2000 at the level of its organisational structure; 3. Its operational budget management; 4. Its programme implementation and 5. An examination of whether matters affecting the economy or the effectiveness of the interventions had been neglected. Overall the findings of the audit were positive. For the financial year 2000 the Court was satisfied that the annual accounts were reliable and that the underlying transactions, taken as a whole, were both legal and regular. In terms of accounting methodology, however, the Court urges the EAR to abandon its practice of relying on spreadsheets and to opt for a more reliable computerised budgetary accounts system as soon as possible. In terms of the Agency's efficiency, again the EAR scored high. This is largely due to the fact that the Agency could concentrate its efforts on a limited number of priority areas. The Report goes on to recommend that the tendency towards prioritising practical sectoral programmes be continued. Further, in terms of efficiency, it recommends that the monthly meetings of the Governing Board be abandoned in favour of a three monthly meeting. In line with this thinking it also recommends that the Commission no longer chair the Governing Board. Lastly, to ensure the sustainability of the investments financed, a policy framework and a mid and long-term strategy is required.