1993 discharge: follow-up. Report

1995/2037(DEC) - 22/03/1995

The committee approved the report granting the Commission discharge for the general budget of the European Communities for the 1993 financial year unanimously with three abstentions. As with the proposed decision on discharge for 1992, the Committee on Budgetary Control suggested that plenary reserve its decision on discharge for sums relating to EAGGF-Guarantee expenditure until it had received the clearance of the accounts for the 1993 financial year in connection with the proper recovery of the relevant sums. This chapter would be closed by an appropriate discharge (more details can be found in the memorandum of the Court of Auditors of the Communities (ref. N 34/95 of 17 February 95) on the problem of milk quotas in connection with the Council decision of 21 October 1994 drawn up at the request of Mrs THEATO, chairman of the Committee on Budgetary Control, and sent to it on 21 February 1995). During the course of the debates, several members criticised the "sensationalist nature" of the interview given to the press in December 1994 by Mr MIDDELHOEK, president of the Court of Auditors, following the presentation of his report on the implementation of the 1993 budget to plenary in Strasbourg. "By stressing cases of proven fraud on the one hand and cases of blatant maladministration by the Member States and the Commission on the other, the president of the Court of Auditors gave a truncated version of events and gave the European public the impression that it had been swindled during the management of Community funds. That is a clear exaggeration ". In its resolution, the committee calls on the Court of Auditors to ensure that the presentation of its annual report gives "a balanced picture of the implementation of the budget in any given year". During the debates, members did not spare the Council on either form or content. The President-in-Office, prevented from attending by a previous engagement, had arranged to be represented by a senior official, Mr El NOUCHI. In addition, the text of the Council's recommendation on the 1993 discharge, approved that morning, was not circulated to members until the end of the sitting. The Council was therefore called on in future to adopt its recommendation in time to allow the European Parliament to take it into useful account and to have it presented it to the committee by a representative able to assume political responsibility. In its resolution, the committee deplored the role played by the Council in certain sectors, such as milk quotas and wine, where decisions were taken on the basis of political criteria and totally disregarded market needs and European taxpayers' interests. Mr SAMLAND's strategic approach in the discharge for the 1993 financial year consisted basically of going through the priorities announced by the European Parliament in its guideline resolution for the 1993 budget and evaluating their implementation. OWN RESOURCES The committee deplored the fact that the establishment of the large internal market on 1 January 1993 had not been accompanied by greater harmonisation of calculation, recovery and control methods for own resources, in order to safeguard the Community's financial interests against fraud. This finding applied both to traditional resources (failure to comply with the Community customs code during post-clearance verifications) and to VAT (lack of uniformity in calculations and differing practices resulting from reductions in tax debts) and for the fourth GDP-based resource (uncertain evaluation and comparability). It called on the Commission to: - take the necessary measures to computerise the management of this system, harmonise audits, facilitate controls at Member State level and supervise their controls; - report to it on the extent and nature of frauds under the Community transit procedure; - propose measures needed in order to improve and harmonise GNP bases and provide for the relevant checks. AGRICULTURAL EXPENDITURE The committee: - deplored the under-utilisation of appropriations for cofinancing national controls and anti-fraud measures in the EAGGF area. The Member States were called on to notify the Commission on the use made of these funds since 1990 by 1 July 1995; - insisted on the need to enforce the vineyard register and strengthen the body of officials responsible for ensuring that wine rules are applied uniformly throughout the Union. The Court of Auditors was asked for its comments on the application of the new rules. The committee pointed out in its resolution that three Member States (France, Italy and Greece) had obstructed controls carried out by the Commission (Art. 20). STRUCTURAL FUNDS Commissioner LIIKANEN saw no need for further amendment to the current regulations and pointed out that the working of the regulations needed to be improved. The committee deplored the lack of

certain on-site controls by both certain national services and the Commission and called for a report on fraud (Art. 33). TACIS AND PHARE PROGRAMMES The committee called for: - more decentralised management of the TACIS programme; - a higher local profile for PHARE programmes in the beneficiary countries and better coordination with other donor countries. BUDGETARY RISKS RELATING TO APPROPRIATIONS GRANTED BY THE EIB The Committee on Budgetary Control wants to be able to assess the manner in which the EIB evaluates risks guaranteed by the Union budget. The Commission was called on to provide the budgetary authority and the Court of Auditors with all available information on EIB operations relating to the use of Community appropriations, including that obtained from its representative on the Bank's board of directors.