

System of the Communities' own resources: implementing Decision 94/728/EC, Euratom

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This report, which is sent to the budgetary authority pursuant to Article 18(5) of Regulation 1150/00/EC, gives an account of the operation of the inspection arrangements for traditional own resources over the period 1997-99. This information, which covers three years, gives an overall view of the Commission's multiannual inspections of both customs and accounting procedures and identifies the main strategies it intends to develop to improve results. This report first describes the general objectives pursued by the Commission via inspections of traditional own resources, in particular to keep a level playing field for operators in the European Union, improve recovery and inform the budgetary authority. It also presents the legal and regulatory framework surrounding the various inspection arrangements, followed by a factual description of the inspection system operating at Community level between 1997 and 1999. Over the period in question the Commission conducted 70 inspections (joint and autonomous) in all fifteen Member States. These inspections revealed 246 anomalies, 185 relating to accounting practices and 61 to do with customs. As a result of these anomalies, the Member States have so far paid a total of EUR 3 035 347 in principal amounts and EUR 6 971 898 in interest for late payment. Apart from the aspects linked to the accounts, the anomalies detected during these inspections are an essential source of information on the problems encountered by the Member States in applying customs and accounting regulations. They can reveal any incompatibility between national provisions and the spirit of Community law and highlight the possible impact in terms of own resources. Analysis of these anomalies can lead to the reform of existing provisions and improve the clarity of Community legislation. The report concludes that there is a need for inspection measures to cover the various aspects - customs-related, financial and regulatory - of how the whole system for the inspection of traditional own resources works. Finally, the report turns to the overall development of the inspection and collection system. It sets out the broad lines of the strategy which the Commission intends to develop in the medium term, firstly as regards methods and secondly as part of a renewed partnership between the Commission and the Member States. Alongside these methodological considerations, the Commission aims to make the Member States assume more responsibility. It is therefore continuing to examine the operational consequences of holding the Member States liable for some of the errors committed by their administrations. This approach forms part of the attempt to achieve a fairer distribution of the financial burden between the Member States in accordance with the principles of sound and efficient management set out in SEM 2000. However, the Commission is also considering a new approach to associated inspections based on the Joint Audit Initiative which requires a different form of cooperation between the Community authorities and the Member States and which also seeks to respond to the changes in inspection procedures that will be required with the forthcoming enlargement of the European Union.