Common agricultural policy CAP: financing

2002/0125(CNS) - 25/09/2002 - Court of Auditors: opinion, report

Under the procedure for clearing the accounts of the European Agricultural Guidance and Guarantee Fund, the Commission decides whether expenditure by the Member States' paying agencies to carry out the common agricultural policy is in conformity with the relevant regulations and can be definitively charged to the Community budget or should be disallowed. At the moment disallowance is only permitted in respect of expenditure taking place in the 24 months before the Commission notifies a Member State that expenditure appears to have been irregularly incurred. The Court has criticised the two-year time limit as unrealistically short (for example the Commission's clearance of accounts unit examines all expenditure on a three year cycle). The Commission proposes to extend the retrospective time limit from two to three years. The attached Opinion 9/2002 supports this proposal and suggests no amendments. More importantly, according to the Court, this modification will reduce the risk that weaknesses detected in Member States' systems may not be penalised simply because the Commission has not been able to cover all areas of expenditure within a two-year cycle. Indeed, the 36-month limit is more closely in line with the Commission's current capacity to check all expenditure on a cyclical basis. In its report, the Court states that the Commission should ensure that it communicates its findings to the Member States in a timely manner, unfortunately this has not always been the case. In conclusion, the Court has no proposals to amend the Commission's text.