

Workshop No 4

Effective shared management - Audit and controls

DG AGRI – J.4.
Rural Network Conference
“Successful Programming”
7 December 2012

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European Commission
Agriculture and
Rural Development

Audit and Controls

- Programming period 2014-2020:
 - Main trend: Continuity!
 - No changes for the sake of changes!



Horizontal Regulation (1)

financing, management and monitoring of CAP

- New Regulation replacing 1290/2005:
 - Some new elements



Horizontal Regulation (2)

financing, management and monitoring of CAP

- Article 7 of the new Regulation:
 - One Paying Agency per MS or Region
 - Shall cover both pillars – allows better alignment of rules; like
 - payment deadlines (align with pillar 1)



Horizontal Regulation (3)

financing, management and monitoring of CAP

- Article 9 of new Regulation:
 - Work of the certifying bodies:
 - re-performance of on-the-spot controls
 - 40-80 files of EAFRD per PA



Horizontal Regulation (4)

financing, management and monitoring of CAP

- Article 64 of the new Regulation:
 - If certifying body confirms and certifies error rate $< 2\%$
 - => rate of OTS controls may be reduced



Horizontal Regulation (5)

financing, management and monitoring of CAP

- Article 56 of the new Regulation:
 - Treatment of irregularities:
 - 4 years / 8 years rule:
 - change from 50% / 50% to 100%



New Rural Development Regulation

- Article 69 of the new RD Regulation:
 - Verifiability and controllability:
 - Managing Authority and paying agency provide ex-ante assessment!



These changes

Why?



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ECA DAS 2011 – overall result

Rural development, environment, fisheries and health

Sample: total 178 transactions; RD 160

- **Error rate, 178 transactions:**
 - most likely error rate **7.7%**;
 - Upper limit 10.9%; lower limit 4.5%
- **Error rate RD alone - statistically not possible, but seems slightly above the average**



Number of RD cases with errors

- **Out of the 160 RD transactions:**
 - **99 cases without quantifiable errors**
 - **61 cases with errors:**
 - **28 cases between 0.5% and 5%**
 - **17 cases between 5% and 25%**
 - **16 cases above 25%**



Types of errors - indicative

Large variety of errors:

- Ineligibility of expenditure
- Non-respect of commitments
- Non-respect of public procurement
- Project not as approved
- Over-declaration of area
- Excessive aid rate granted / overshoot of ceiling
- Ineligible VAT
- Non-respect of Cross-compliance
- Sanctions / reductions



Result of system audits

- ECA examined paying agencies in 6 MS – annex 4.2 of the ECA AR 2011:
 - 1 effective (AT)
 - 4 partially effective (SP (Galicia), IT (Lombardy), HU, FI)
 - 1 not effective (DK)



Thank you for your attention



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