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European Union

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#### NOTE

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From: Working Party on Financial Agricultural Questions (AGRIFIN)  
To: Permanent Representatives Committee/Council

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No. prev. doc.: 12571/14

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Subject: Special Report No 18/2013 from the European Court of Auditors entitled  
"The reliability of the results of the Member States' checks of the  
agricultural expenditure"  
*- Adoption of Council conclusions*

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1. At its meeting on 21 May 2014, the Working Party on Financial Agricultural Questions (AGRIFIN) discussed the above Special Report as well as the Commission's replies to that report.
2. In the light of those discussions, the Presidency drew up the draft conclusions set out in doc. 12571/14.
3. At its meeting on 25 September 2014, the Working Party on Financial Agricultural Questions (AGRIFIN) reached agreement on a revised version of the draft conclusions as set out in the Annex to this note.

4. In accordance with the conclusions adopted by the Council on 8 May 2000 on improving the examination of special reports drawn up by the Court of Auditors<sup>1</sup>, the Working Party on Financial Agricultural Questions (AGRIFIN) invites the Permanent Representatives Committee to suggest to the Council that it adopt the draft Council conclusions as set out in the Annex to this note as an 'A' item at a forthcoming session.
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<sup>1</sup> Doc. 7515/00 +COR 1

**DRAFT**  
**COUNCIL CONCLUSIONS ON SPECIAL REPORT NO 18/2013 FROM THE  
EUROPEAN COURT OF AUDITORS ENTITLED "THE RELIABILITY OF THE  
RESULTS OF THE MEMBER STATES' CHECKS OF THE AGRICULTURAL  
EXPENDITURE"**

THE COUNCIL OF THE EUROPEAN UNION

- (1) WELCOMES Special Report No 18/2013 from the European Court of Auditors entitled "The reliability of the results of the Member States' checks of the agricultural expenditure";
- (2) TAKES the financial management of the EU funds extremely seriously and supports efforts to improve the way the budget is managed;
- (3) CONSIDERS, however, that many of the Court's findings require further qualification and that, in particular, it is necessary to consider adequately whether the implementation of its recommendations would be value for money or significantly improve the delivery of the intended policy outcomes;
- (4) QUESTIONS the Court's overall conclusion that the results of the checks of agricultural expenditure carried out by Member States and reported by the Commission are not reliable;
- (5) RECALLS that since the Court's initial findings, most Member States concerned have implemented, inter alia, a number of changes to their land parcel identification systems and action plans aiming at a reduction in the error rate for both the EAGF and the EAFRD, and have improved their on-the-spot checks, which is not reflected in the Court's report;

- (6) STRESSES that a number of the ECA's findings and recommendations were addressed in the new horizontal regulation on the control, financing and monitoring of the CAP<sup>2</sup>, Article 9 of which provides for a significant increase in the responsibilities of the certification bodies in the Member States with regard to delivering an opinion on the legality and regularity of the expenditure, thus requiring certification bodies to carry out significantly more checks to a greater depth on the reliability of the controls by the paying agencies;
- (7) HIGHLIGHTS the urgent need to promote the cost-effectiveness of control and audit, in particular through maintaining and developing a risk-based approach, in accordance with the principle of proportionality and bearing in mind the importance of simplification;
- (8) WELCOMES, in this regard, the Commission's efforts to simplify and improve the checks in the framework of the CAP reform and INVITES the Commission to remain attentive to not excessively or unduly increasing the administrative burden on the Member States;
- (9) SHARES the opinion of the Court that the guidelines issued by the Commission for implementing adequate control systems and compiling statistical reports should be reviewed and clarified where necessary, both in order to limit the number of requests from the Commission to the minimum and to provide Member States with sufficient guidance on how to fulfil those requests.

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<sup>2</sup> Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008. OJ L 347/549, 20.12.2013.