



CAP audit system 2014-2020

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Responsible bodies within the Member States

- **Managing Authority (MA)** is responsible for establishing the framework of the Rural Development Programme.
- **Paying Agency (PA)** is responsible for the management and control of CAP expenditure. Currently, 72 PA for EAFRD are operating within the 28 MS.
- **Certification Body (CB)** independent audit body, provides opinion on:
 - **completeness, accuracy and veracity of the annual accounts**
 - **proper functioning of its internal control system**
 - **legality and regularity of the expenditure**

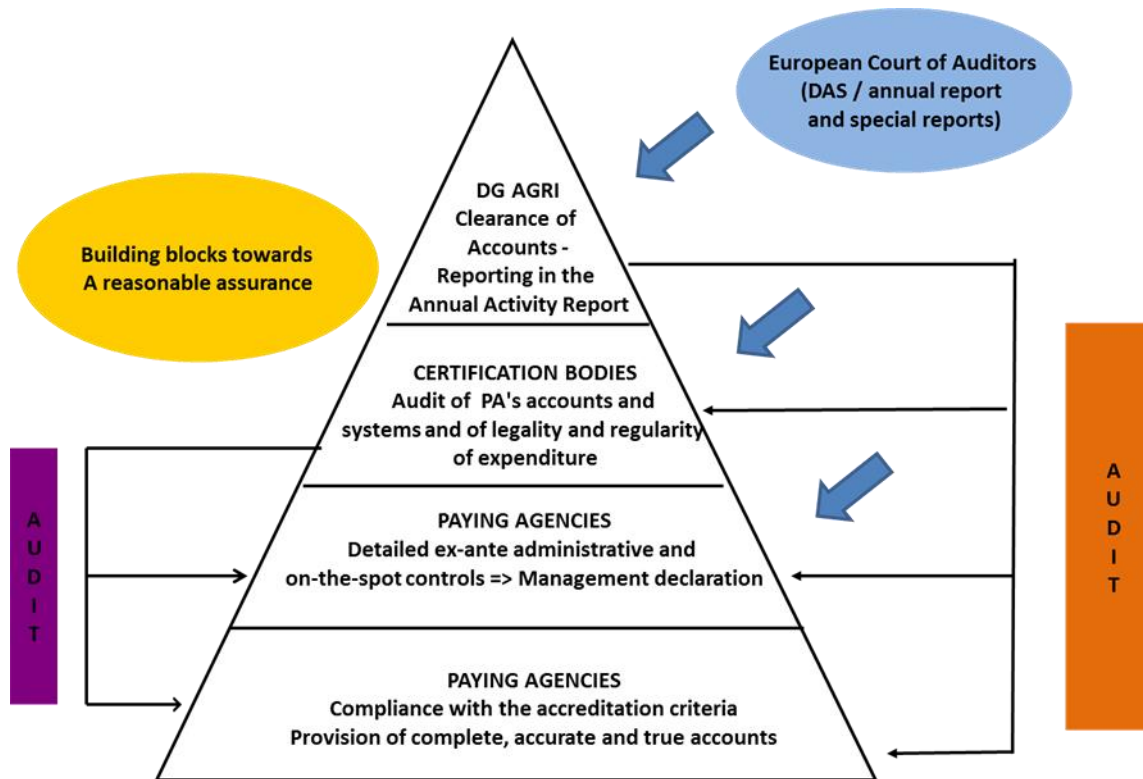
EAFRD different measures

- **IACS measures** based on payments per hectare or per animal (IACS: Integrated Administration and Control System) (IACS also applicable to EAGF Direct Payments, and subject to cross compliance)
- **Non-IACS measures:** including investments, training, cooperation, LEADER, TA, etc.



European
Commission

CAP control framework



Work of Paying Agencies (PAs)

- 100% administrative checks and yearly OTSC for at least 5% of beneficiaries (IACS measures) or 5% of expenditure (non-IACS measures)
- In 2015 PAs handled the following number of beneficiaries/files:

| | Beneficiaries/files | Controlled on-the-spot (only random sample) |
|------------------------------|----------------------------|--------------------------------------------------------|
| Area/animal related measures | 3.797.439 beneficiaries | 57.088 |
| Investments | 697.164 files | 12.116 |

- Cost of controls in the Member States for rural development in 2015: 1.124,7 (mEUR) / 5.2% of total public expenditure



Work of the Certification Bodies (CBs)

- CB provides an **opinion on the completeness, accuracy and veracity of the annual accounts** of the PAs.
- Since FY2015, the CB also audits operations in order to form an **opinion on the legality and regularity** of expenditure for which reimbursement has been requested from the Commission.
- Every year, CB reports are assessed by DG AGRI, including the opinion on the legality and regularity (L&R). From 2015, **dedicated audits** by DG AGRI checking the CBs compliance with the methodology set out.
- Closure of 2007-2013 RDPs was possible already in 2016

DG AGRI audits

Objectives:

- Assurance
- Corrective actions
- If not assurance, then net financial corrections

| Calendar year | Conformity audits | Audits on CB L&R work |
|---------------|-------------------|-----------------------|
| 2008 | 3 | |
| 2009 | 29 | |
| 2010 | 36 | |
| 2011 | 28 | |
| 2012 | 24 | |
| 2013 | 35 | |
| 2014 | 51 | |
| 2015 | 54 | 17 |
| Total | 260 | 17 |

Number of AGRI audits by MS

Number of audits carried out and relating to the programming period 2007-2013

including audit with missions, but also desk audits

| MS | Nber of audits | MS | Nber of audits |
|----|----------------|-------|----------------|
| AT | 8 | IE | 5 |
| BE | 2 | IT | 27 |
| BG | 15 | LT | 6 |
| CY | 3 | LU | 2 |
| CZ | 7 | LV | 7 |
| DE | 25 | MT | 2 |
| DK | 6 | NL | 4 |
| EE | 5 | PL | 17 |
| ES | 26 | PT | 11 |
| FI | 5 | RO | 18 |
| FR | 18 | SE | 6 |
| GB | 11 | SI | 4 |
| GR | 8 | SK | 4 |
| HU | 8 | Total | 260 |

Auditors are not only auditing

But contribute to improving the management and control systems in the area of Rural Development by:

- addressing recommendations to MS
- developing & updating guidelines for CB reporting
- input to guidelines in relation to specific control objectives
- input to modifications in the EU legislation
- contributing to follow-up of corrective actions plans (16 on-going)
- share audit experiences of RD measures through seminars (internal and external)

Towards single audit approach

- more assurance from the CBs' work on legality and regularity
- use the results of CBs' work in DG AGRI risk analysis
- reduce the number of AGRI audits.

AAR 2015 – error rate

| | 2015 | |
|-----------|-------------|-------------------|
| | DG AGRI AAR | ECA Annual Report |
| EAGF | 1.47% | 2.2% |
| EAFRD | 4.99%* | 5.3% |
| CAP TOTAL | 2.02% | 2.9% |

*without prefinancing

Thank you for your attention.

Do you have any questions?

