COMMISSION REGULATION (EEC) No 295/88

of 1 February 1988

amending Regulation (EEC) No 1723/72 on making up accounts for the European Agricultural Guidance and Guarantee Fund, Guarantee Section

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 729/70 of 21 April 1970 on the financing of the common agricultural policy (1), as last amended by Regulation (EEC) No 3769/85 (2), and in particular Article 4 (4) thereof,

Whereas, in order to facilitate verification of accounts, the Member States have to forward to the Commission reports drawn up by paying services and agencies;

Whereas the model form of these reports is set out in Article 5 of Commission Regulation (EEC) No 1723/72 (3), as last amended by Regulation (EEC) No 422/86 (4);

Whereas it is appropriate to define more fully the information that Member States should provide on the national audit and supervision of EAGGF, Guarantee Section, expenditure;

Whereas the Fund Committee has not delivered an opinion within the time limit set by its chairman,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 1723/72 is hereby amended as follows:

1. The introductory phrase of Article 5 is replaced by the following:

   'Without prejudice to the provisions of Article 1 (1) (b), the reports referred to in Article 1 (1) (a) shall be drawn up by each authority and body responsible for payments in accordance with the following plan:'.

2. Article 5 (d) is replaced by the following:

   '(d) National audit and supervision of EAGGF, Guarantee Section, expenditure:

   Details of the information that should be set out in the reports under this heading are set out in Annex XI.'

3. The Annex to this Regulation is added as Annex XI.

Article 2

This Regulation shall enter into force on 1 March 1988.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 1 February 1988.

For the Commission

Frans ANDRIESSEN

Vice-President

(1) OJ No L 94, 28. 4. 1970, p. 13.
(2) OJ No L 362, 31. 12. 1985, p. 17.
(3) OJ No L 186, 16. 8. 1972, p. 1.
(4) OJ No L 48, 26. 2. 1986, p. 31.

ANNEX

'ANNEX XI

National audit and supervision of EAGGF, Guarantee Section, expenditure. Information to be provided in the report drawn up in conformity with Article 5 (d)

1. The report shall provide information in respect of each paying agency on the controls that have been undertaken in order to check that the operations, payments, and accounting and administrative procedures of the paying agency have been implemented in a proper manner.

2. The report shall bring together information relating to the activity of the various bodies that control the paying agency's operations, including both those concerned with internal control and external control bodies. This report need not give information on the activities of national courts of auditors where the body responsible for the report is unable to provide such information for legal reasons.

3. The report shall give a description of the structure of controls relating to each paying agency (both internal controls and external controls) including:

   — the name of each control body,

   — the number of staff employed, in each control body, on the control of EAGGF, Guarantee Section, expenditure, with an indication of the level of qualification,

   — the particular aspects of the control of expenditure for which each control body is responsible.

4. The report shall provide information on the control work undertaken by the control bodies listed in paragraph 3, including reference to the following matters:

   (i) *Systems audit*

   A description of the audit work undertaken to verify the effectiveness and reliability of the paying agency's accounting systems and internal control procedures.

   (ii) *Controls before payment*

   A description of the controls effected before payment to ensure that the proposed payment is correct and in conformity with Community rules.

   (iii) *Controls after payment*

   A description of the controls effected after payment to ensure that the aid was paid in conformity with Community rules and received by the rightful beneficiary.

   (iv) *Audit of bookkeeping*

   A description of the audit work undertaken in order to verify whether the books of account of the paying agency are kept properly and whether all transactions are promptly, correctly and fully recorded in these books.

   (v) *Audit of declarations to EAGGF*

   A description of the audit work undertaken in order to control whether the monthly and annual declarations to EAGGF are correct, in conformity with Community rules and in agreement with the books of accounts.

   (vi) *Other controls*

   A description of any other control activities, not covered in points (i) to (v), that are undertaken in order to verify that expenditure has been properly incurred in conformity with Community rules and correctly declared to the EAGGF.

   Where no control work has been performed under a particular heading, this should be stated.

5. The report shall provide information on the results of the control work done in respect of each paying agency. It is not necessary to give specific information on individual cases.