



Kumitat għall-Kontroll tal-Baġit

15.6.2017

DOKUMENT TA' HIDMA

dwar ir-rwol il-ġdid tal-korpi ta' ċertifikazzjoni dwar in-nefqa tal-PAK: pass pożittiv lejn mudell ta' awditu uniku iżda b'nuqqasijiet sinifikanti li għandhom jiġu indirizzati

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Rapporteur: Petri Sarvamaa

Introduction

EU support for agriculture is granted through the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). The total allocation for these two funds amounts to 363 billion euro (in 2011 prices) for the 2014-2020 programme period, which represents around 38 % of the total Multiannual Financial Framework.

Common Agricultural Policy (CAP) expenditure under both funds can be grouped into two categories - Integrated Administrative and Control System (IACS) expenditure (entitlement-based, consists mainly of annual per hectare payments) and non-IACS expenditure (reimbursement-based payments, consist mainly of investments in farms and rural infrastructure, as well as interventions in agricultural markets). For the 2015 financial year, the IACS and non-IACS expenditure amounted respectively to 86 % and 14 % of the overall funding under CAP.

Responsibility for managing the CAP is shared between the Commission and the Member States. Under shared management, the Commission remains ultimately responsible for the budget, but delegates its implementation to bodies specially designated by the Member States: the paying agencies (PAs). The Directorate-General for Agriculture and Rural Development (DG AGRI) oversees the PAs' implementation of the budget, verifying and reimbursing the expenditure declared monthly (for the EAGF) and quarterly (for the EAFRD) by the PAs and, ultimately, assessing whether expenditure is legal and regular by means of the conformity clearance procedure.

At Member State level, the CAP budget is managed by PAs accredited by the relevant Member State's competent authority (CA). The PAs perform administrative checks on all project applications and payment claims received from beneficiaries, as well as on-the-spot checks for the vast majority of supporting measures. Following these checks, the PAs pay the beneficiaries the amounts due and declare them to the Commission for reimbursement. All the amounts paid are then recorded in the PAs' annual accounts, which are provided to the Commission by the director of each PA along with a management declaration regarding the effectiveness of the PA's control system.

The Financial Regulation¹ requires the Commission, in entrusting the PAs with budget implementation tasks for the CAP under shared management, to ensure that the EU's financial interests are protected to the same standard as though the Commission were performing these tasks itself. In the case of the CAP, appropriate control and audit responsibilities at Member State level are assumed by the certification body (CB).

The CBs have been performing their role as independent auditors of the PAs since the 1996 financial year. The CBs have been required to issue a certificate concerning the compliance of the PAs' accounts and internal control procedures with internationally accepted audit standards. Since the 2015 financial year, they have been also asked to provide an opinion stating whether the expenditure for which reimbursement has been requested from the Commission is legal and regular.

¹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002

The CAP Horizontal Regulation¹ also stipulates that a CB must be a public or private audit body designated by the CA and that it must have the necessary technical expertise and be operationally independent from the PA, as well as from the authority which has accredited that PA. The aim of the CBs' work on legality and regularity is to increase DG AGRI's assurance on the legality and regularity of expenditure.

The Commission established the framework for the CBs' audit work through an implementing regulation and additional guidelines. According to this regulation, and in order to obtain reliable reports and opinions from the CBs, the Commission needs to ensure that its guidelines provide appropriate instructions in accordance with internationally accepted audit standards, and that the work carried out by the CBs based on such guidance is sufficient and of appropriate quality.

Audit scope and approach

The Court focused its analysis on the framework established by the Commission for the CBs' work on legality and regularity only for the first year of implementation (2015 financial year). The audit aimed at assessing whether the CBs' new role was a step towards a single audit approach and if the Commission took due account of it in its assurance model.

The audit also aimed at assessing whether the framework set up by the Commission enables the CBs to draw an opinion on the legality and regularity of CAP expenditure in accordance with the applicable EU regulations and internationally accepted audit standards.

In particular, the Court examined whether the Commission's guidelines to CBs ensured an appropriate risk assessment by the CBs and a representative sampling, an appropriate level of substantive testing, and a correct estimate of the level of error and audit opinion.

European Court of Auditors' findings and observations

I - The CBs' new role in relation to the legality and regularity of CAP expenditure is a positive step towards a single audit model

The concept of single audit is premised upon the need to avoid uncoordinated, overlapping controls and audits. In the context of the EU budget, and for shared management in particular, single audit approach would provide assurance as to the legality and regularity of expenditure for management (internal control) purposes on the one hand and for audit purposes on the other. It should be an effective control framework in which each layer builds on the assurance provided by others.

For CAP expenditure, the Commission draws assurance that expenditure is legal and regular from three tiers of information: the checks performed by the PAs, the audit work carried out by the CBs and the results of the Commission's checks thereon. When such assurance is considered insufficient, the Commission resorts to its own conformity clearance procedures which may result in financial corrections.

¹ 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)

The Court observed that the CBs' new role of issuing an opinion on the legality and regularity of expenditure has the potential, during the 2014-2020 period, to considerably strengthen a single audit model for the Commission's management of agricultural expenditure. In chronological terms, the CBs are the first auditors to provide assurance as to the legality and regularity of agricultural spending, and they are the only source of such assurance at national/regional level. Thanks to the audit work carried out by the CBs, the Commission would be able to derive additional management assurance, rather than rely solely on DG AGRI's own checks. Furthermore, the overall audit and control costs could be reduced, and at the same time Member States' control systems would be strengthened.

II - DG AGRI's assurance model remains based on the Member States' control results

The Financial Regulation requires DG AGRI's Director-General to prepare an Annual Activity Report (AAR), declaring that he has reasonable assurance that the control procedures in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

Up until the 2015 financial year, the assurance model used for this purpose took as its starting point the control statistics reported by Member States. DG AGRI needed to adjust the level of error where it found that part of the errors were not detected by the PAs and therefore not reflected in Member States' control results. The information from the CBs' new opinions on legality and regularity had only a marginal effect on these adjustments for the 2015 financial year as they were merely one factor taken into account in the Commission's calculation.

In its 2015 AAR, DG AGRI acknowledged that it had made a limited use of the CBs' opinions. This was mainly due to the fact that it was the first year in which the CBs had produced such opinions, the timing of their work, their lack of technical skills and legal expertise, their inadequate audit strategies and the insufficient sizes of the samples audited.

In addition, the Court considered that the way the Commission defined the CBs' work in its guidelines has an important impact on the reliability of that work. In order to meet the internationally accepted audit standards, CBs need to perform a higher volume of work than what is strictly required by the CAP Horizontal Regulation. Similar to the PAs and DG AGRI, CBs should validate control statistics separately for IACS and non-IACS strata, which demands a significant increase in the size of their samples compared to a scenario where only a validation at fund level is necessary.

Nevertheless, the Court pointed out that once the CBs' work is done in a reliable manner, this independent assurance should become the key element for the DG AGRI when assessing whether expenditure is legal and regular.

III - Risk assessment and sampling method

Basing the risk assessment on the accreditation matrix may inflate the level of assurance the CBs can derive from PAs' internal control systems

Pursuant to internationally accepted audit standards, the CBs obtain their overall level of assurance on legality and regularity from two sources: their assessment of the PAs' control environment and their substantive testing of transactions. DG AGRI required the CBs to base their rating of the PAs' internal control systems on a so-called accreditation matrix, which

consists of six functions and eight assessment criteria, making a total of 48 assessment parameters.

The overall score, representing the weighted average of these 48 parameters, allows the CBs to form their opinion as to whether the PAs' internal control systems are functioning properly. However, the Court highlighted that it is inappropriate to use that indicator to assess the PAs' internal control systems in relation to legality and regularity of expenditure, as these depend mainly on only two of the 48 assessment parameters: administrative checks and on-the-spot checks on the processing of claims, including their validation and authorisation.

If other factors compensate for the low scores on these two parameters of the overwhelming importance to legality and regularity, CBs may overrate internal control systems and derive more assurance from them than is warranted. Moreover, the applied framework does not sufficiently take into account systemic weaknesses previously reported both by DG AGRI and by the Court following audits of PAs and final beneficiaries.

It was also noted by the Court that whereas DG AGRI uses key and ancillary controls during its assessment of the PAs internal control systems with respect to legality and regularity of expenditure, it instructs CBs to use a different tool for the same purpose - the accreditation matrix, which is unsuitable.

The CBs' sampling method for IACS transactions, based on the PAs' lists of randomly selected on-the-spot checks, entailed a series of risks that were not overcome

DG AGRI guidelines split the work for substantive testing into two samples. For Sample 1 transactions, which concern a certain part of beneficiaries randomly selected by the PAs for on-the-spot checks, CBs are required to re-perform both these on-the-spot checks and the full range of administrative checks. For Sample 2, drawn from all payments for the year in question, CBs need to re-perform only administrative checks.

Since CBs examine the on-the-spot checks performed by the PAs on claims which (if IACS-based) are likely to lead to payments during the corresponding financial year, the results of their testing also help the CBs to form an opinion on the functioning of the PAs' internal control systems. It is one of the other audit objectives laid down in the CAP Horizontal Regulation.

DG AGRI requires CBs to assess the representativeness of the PAs' samples. In order to comply with such a requirement, both the PAs and the CBs need to maintain a sufficient and reliable audit trail to confirm that the samples are representative, drawn from the entire population using statistically valid methods and have remained unchanged. Any replacement of transactions contained in the initial samples must be appropriately justified and documented.

DG AGRI also commands that Sample 1 IACS transactions for substantive testing should be selected based on the amounts claimed by farmers rather than the amounts that are actually paid, so that the CBs can perform their re-verifications as soon as possible after the PAs' on-the-spot checks and find the selected farms in similar conditions.

However, for this method to work as intended, close cooperation and communication between the PAs and the CBs is important. The CBs need to be updated regularly on checks performed

by the PA so that the CB can re-perform these checks shortly after the PA's visit. The Court found that this condition was not met in three of the five Member States visited (Poland, Romania, Germany).

Furthermore, for this approach to be valid, the CBs need to have immediate access to the list of on-the-spot checks initially selected by the PAs (to minimise the risk of subsequent changes) and they must not be allowed to exclude transactions from its sample as a result of delays in the PA's decision granting the relevant aid. If the latter happens, PAs have a possibility to intentionally delay their decisions and payments for certain transactions, which might lead to errors in the CBs' calculations, undermining of the representativeness of the results and the validity of their extrapolation to overall expenditure, as well as to an incorrect reduction in the error rate found by the CBs.

The adequate application of the claim-based selection method also relies on the PAs' unawareness of the transactions that will be subject to re-performance. This safeguard was compromised in the case of Italy, where the CB had given the PA an advance notice of which beneficiaries would be scrutinised before the PA carried out the majority of its initial on-the-spot checks.

A portion of the non-IACS transactions upon which the CBs perform substantive testing is not representative of expenditure in the financial year audited

For non-IACS transactions (both EAGF and EAFRD), there is a significant disparity between the period for which the on-the-spot checks are reported (the calendar year) and the period for which expenditure is paid (from 16 October 2014 to 15 October 2015 for the 2015 financial year).

As a result, some of the beneficiaries subject to on-the-spot checks performed during the 2014 calendar year were not reimbursed in the 2015 financial year, and the CBs cannot include the results of such transactions in their calculation of the error rate for the financial year concerned. Therefore, the Court underlined that the number of transactions the CBs use in calculating the overall error rate is lower, thus reducing its accuracy and, in turn, affecting the reliability of their opinions on the legality and regularity of expenditure for the financial year.

IV - Substantive testing

For most transactions, the guidelines do not require the CBs to perform on-the-spot testing at final beneficiary level

According to internationally accepted audit standards, public sector auditors should use a variety of techniques, such as observation, inspection, inquiry, re-performance, confirmation and analytical procedures to gather sufficient and appropriate evidence that serves as basis for conclusions. Under EU law the CBs' substantive testing of expenditure must cover verifying the legality and regularity of the underlying transactions at final beneficiary level.

The Court observed that Sample 2 transactions, for which no on-the-spot testing is done, accounted for the majority of the transactions used by CBs for substantive testing in four of the Member States visited. Nevertheless, gathering evidence based only on a re-performance of administrative checks at PA level will often not provide the CBs with sufficient and appropriate audit evidence as required by the standards. By applying this limited approach,

the CBs are not using two audit collection methods that are very important in the context of the CAP expenditure: inspection and inquiry. Without these methods, important audit evidence cannot be collected, such as evidence that farmers are using their land as stated in their declarations and proof of the existence of physical assets purchased through investment projects.

Consequently, the CBs may not be able to obtain reasonable assurance that the relevant expenditure is legal and regular. This issue becomes even more pronounced when considering the Court's annual reports, which demonstrated that most of the errors in CAP expenditure (particularly for IACS) are found on the spot.

The guidelines require the CBs only to re-perform PAs' initial checks, rather than carry out all the audit procedures the CBs consider necessary to obtain reasonable assurance

Re-performance is defined by internationally accepted audit standards as independently carrying out the same procedures already performed by the audited entity. DG AGRI required CBs, for their substantive testing, only to re-perform (re-verify) the PAs' initial checks (e.g. to test whether the correct decisions were made when granting aid), for both Sample 1 and Sample 2 transactions.

The Court stated that while re-performance is a valid audit evidence collection method, the Commission should not require the CBs to limit themselves to such method for all transactions subject to substantive testing but instead leave it up to the CBs to determine the extent of its use. In order to obtain sufficient audit evidence and form a reasonable assurance opinion, the CBs should be able to choose and perform audit steps and procedures that they themselves consider appropriate.

V - Conclusion and audit opinion

The guidelines require the CBs to calculate two different error rates and the use made of these rates by the CBs and DG AGRI is not appropriate

CAP Horizontal Regulation requires the CBs to express a limited assurance conclusion in relation to the PA's management declaration (MD). Such a conclusion does not necessitate fully-fledged audit work, but merely a review, usually limited to analytical procedures and enquiries.

Thus, in order to be compliant with internationally accepted audit standards, the conclusion on the MD can be drawn from the results of the audit work done in relation to the reliability of accounts, the proper functioning of the internal control system and the legality and regularity of transactions, reflected by the ERR ('error rate'). However, DG AGRI guidelines additionally require the CBs to calculate a different rate, the IRR ('incompliance rate'), in order to give an opinion about the MDs.

Furthermore, whereas the CBs' opinions on the legality and regularity of expenditure are based on the ERR, DG AGRI's assurance model uses the IRR in order to estimate the amounts at risk from a legality and regularity perspective. According to the Court, this formula is inadequate as the IRR does not represent the level of error in the expenditure, but rather the financial impact of weaknesses in the PA's administrative and on-the-spot checks.

DG AGRI's guidelines require the CBs to use the ERR calculated for legality and regularity purposes also to form an opinion on the completeness, accuracy and veracity of the PAs' annual accounts. The same procedure is used by DG AGRI itself in the financial clearance procedure (annual review of the PAs' accounts). Yet, the Court stressed that this runs contrary to the CAP Horizontal Regulation, which clearly separates the issue of the reliability of the PAs' accounts from that of the legality and regularity of expenditure. It is an appropriate distinction because a payment may be properly accounted for despite not being legal and regular, and, vice-versa, a payment may be legal and regular despite being incorrectly accounted for.

The CBs' opinion on the legality and regularity of expenditure is based on an understated total error

The Court noted that when calculating the ERR, CBs do not take into consideration the differences between what beneficiaries claimed and what the PA validated after its on-the-spot checks (which constitute the errors reported by the PAs in the control statistics), but only the difference between what the CB considers eligible and what the PA has previously validated.

While only 5 % of claims are subject to on-the-spot checks by the PAs as a general rule, for the six Member States visited the average share of transactions that underwent those checks was 38 % for EAGF and 44 % for EAFRD. Hence, such transactions are overrepresented in the overall CB samples. Since the PA has already detected and reported errors for the previously conducted on-the-spot checks, they will be no longer identified when the CBs compare their results to the PAs results. At the same time, potential errors will remain uncorrected for the 95 % of the population subject only to administrative checks.

In order to ensure a true representation of the characteristics of the total population, the CBs need to add to their own error rate the PA's error rate for its random on-the-spot checks on the share of Sample 1 transactions in excess of the 5 % that have previously undergone such checks. In addition, the CBs' error rate for the Sample 2 transactions which have not been subject to any on-the-spot checks (either by the PA or by the CB) has to be increased likewise by the PA's error rate from the control statistics.

Finally, the Court emphasised that in the absence of the aforementioned adjustments, the ERR is likely to be significantly understated for both Sample 1 and Sample 2, and the CBs will not be in a position to express an opinion on the legality and regularity of the entire population of payments.

Conclusions and recommendations

As noted, the Commission draws assurance that expenditure is legal and regular from three layers of information: the checks performed by the PAs, the audit work carried out by the CBs and the results of the Commission's checks thereon. When such assurance is deemed insufficient, the Commission applies its own conformity clearance procedures which may result in financial corrections.

Whereas CBs were initially responsible for issuing a certificate on the reliability of accounts and on internal control procedures, since the 2015 financial year they have been also required to provide an opinion, drawn in accordance with internationally accepted audit standards,

stating whether the expenditure for which reimbursement has been requested from the Commission is legal and regular.

The Court concluded that although the CBs' new role is a positive step towards a single audit model, the Commission could take very limited assurance from the CBs' work on legality and regularity. In addition, the CBs' opinions do not fully comply with the applicable standards and rules in important areas due to the significant weaknesses in the framework designed by the Commission for the first year of implementation of their new work.

For the 2015 financial year, the Commission's assurance model remained based on the Member States' controls results and the CBs' opinions on legality and regularity were merely one factor taken into account during the calculation of error adjustments. However, since these opinions are the only source which provides independent assurance on an annual basis, once the CBs' work is done in a reliable manner they should become the key element for DG AGRI when assessing whether expenditure is legal and regular.

With regard to the Commission's guidelines on the risk assessment procedure, the Court observed that the CBs were required to use an inappropriate tool, the accreditation matrix, for legality and regularity purposes, which may increase the level of assurance the CBs derive from PAs' internal control systems without due justification.

As for the CBs' approach to sampling, the Court underlined the need to ensure that the samples initially selected by the PAs are representative. It also pointed towards several risks entailed by the method of selection of IACS transactions that were subject to re-verification.

For non-IACS expenditure, there was a disparity between the period for which PAs' on-the-spot checks were reported and the period for which expenditure was made.

The Commission limited the CBs' substantive testing to re-performance of the PAs' initial checks, which were only of administrative nature in the majority of Member States visited. This stipulation often prevented the CBs from obtaining sufficient and appropriate audit evidence to form a reasonable assurance opinion.

With reference to the use of two indicators of error in relation to legality and regularity, the Court noted that IRR was not necessary for ensuring the MDs' compliance with internationally accepted audit standards. At the same time, the Commission incorrectly envisaged using the IRR instead of the ERR in the calculation of the adjusted error rate. On the other hand, the ERR has been wrongly used by both the CBs and the Commission to form a view on the completeness, accuracy and veracity of the PAs' accounts.

The Court also concluded that, owing to the CBs' sampling scheme and an overrepresentation of the transactions which had previously been subject to PA on-the-spot checks, levels of error reported by the CBs were underestimated.

Following those conclusions, **the Court recommended that:**

1. The Commission should use the CBs' results, when the work is defined and performed in accordance with the applicable regulations and internationally accepted audit standards, as the key element of its assurance model regarding the legality and regularity of expenditure.

2. The Commission should revise its guidelines so that the CBs' risk assessment as regards legality and regularity is focused on the key and ancillary controls already used by the Commission, complemented by any other evidence that the CBs judge appropriate in accordance with internationally accepted audit standards.

3. For the selection by the CBs of IACS transactions from the list of claims randomly selected by the PAs for on-the-spot checks, the Commission should reinforce its guidelines, requiring CBs to put in place appropriate safeguards that:

- ensure that the CBs' samples are representative, are transmitted upon request to the Commission and that an appropriate audit trail is maintained. This means that the CBs need to check whether the PAs' samples are representative;

- enable the CBs to plan and carry out their visits shortly after the PAs have carried out their on-the-spot checks;

- ensure that CBs do not disclose their sample to the PAs before the latter carried out their on-the-spot checks.

4. The Commission should revise its guidelines with regard to the sampling method for non-IACS expenditure, so that the CBs sample non-IACS expenditure directly from the list of payments executed during the financial year being audited.

5. The Commission should revise its guidelines to allow the CBs to carry out:

- on-the-spot testing for any transaction audited;

- all audit steps and procedures that they themselves consider appropriate, without being limited to re-performing the PAs' initial checks.

6. The Commission should revise its guidelines so that they do not require the calculation of two different error rates regarding legality and regularity. A single error rate, based on which the CBs expressed their reasonable assurance opinion on legality and regularity of expenditure and limited assurance conclusion on the assertions made in the management declaration, would satisfy the requirements of the CAP Horizontal Regulation.

The Commission and the CBs should not use such an error rate for legality and regularity to judge the completeness, accuracy and veracity of the PA's annual accounts.

7. The Commission should revise its guidelines so that:

- for IACS transactions which are sampled from the list of PAs' random on-the-spot checks, the overall error calculated by the CBs also includes the level of error reported by the PAs in the control statistics, extrapolated to the remaining transactions not subject to PA on-the-spot checks. The CBs have to ensure that the control statistics compiled by the PAs are complete and accurate;

- for the transactions sampled by the CBs directly from the full population of payments, no such adjustment is necessary because the sample would be representative of the underlying populations audited.

The above recommendations 2 to 7 have as their implementation target the next revision of the Commission's guidelines applicable from the financial year 2018 onwards.

Summary of the European Commission's replies

The management and control system of the CAP expenditure is following a single control and audit approach that is integrated in a pyramid of controls where each upper layer builds its work upon the results of the previous layer, and where each layer may use the results of the upper layer to improve its own controls. It is a dynamic model aiming not only at estimating an error rate but also aiming at detecting the sources of errors, implementing remedial actions and reducing the error rates year after year.

In the CAP assurance model applied by the Commission the independent CBs are a layer of the pyramid of control. The CBs deliver every year an opinion on the PA's accounts and systems and, from financial year 2015, on legality and regularity of expenditure. The Commission provides them with guidelines.

DG AGRI auditors check the reliability of the opinions of the CBs on legality and regularity, in order to assess whether they can be used as a source of assurance for the EU expenditure covered. DG AGRI auditors also perform system audits which result where necessary in remedial action plans and net financial corrections, as well as interruptions, reductions or suspensions of payments when the Member State concerned does not take remedial actions.

With regard to the recommendation 1, the Commission accepts it partially. It agrees that where the audit work of the CBs is done in accordance with the applicable regulations and guidelines, their opinions should be the key element for the Commission's assurance. However, the Commission does not acknowledge that using the opinion of CBs for assurance would be possible only once the work is carried out as defined in recommendations 2 to 7, and not when the work is done as defined in the guidelines applicable from the financial year 2015.

The Commission accepts the recommendation 2 and considers it already implemented in the new guidelines for FY2018. The CBs are advised to use the key and ancillary controls when testing the procedures for authorisation of claims.

The Commission accepts the recommendation 3 and 4 and considers that they are already implemented in the new, reinforced guidelines for FY2018.

In relation to the recommendation 5, the Commission accepts it as regards allowing the CBs to carry out all the audit steps and procedures that they themselves consider appropriate and considers that it is already implemented. Nevertheless, the Commission rejects the recommendation where it would entail that the CBs go on-the-spot for transactions which have not been controlled on-the-spot by the PA.

The recommendations 6 and 7 were accepted by the Commission, and considered to be already implemented in the guidelines for FY2018.

Rakkomandazzjonijiet mir-rapporteur

Il-Parlament Ewropew:

1. Jilqa' r-Rapport tal-Qorti, u japprova l-kummennti u r-rakkomandazzjonijiet tiegħu; jinnota b'sodisfazzjon li l-Kummissjoni taċċetta hafna mir-rakkomandazzjonijiet li saru u hija ser tikkunsidra, jew diġà bdiet timplimentahom;
2. Jirrikonoxxi l-progress pożittiv li sar fil-mudell tal-awditjar tal-infiq tal-PAK; jiddispjaċih, madankollu, li l-iskema ta' awditu uniku għadha ma taħdimx sal-potenzjal sħiħ tagħha;
3. Ifakkar lill-Kummissjoni fir-responsabilità finali tagħha tal-użu effiċjenti tan-nefqa tal-PAK; ihegġegħ lill-Kummissjoni, barra minn hekk, biex tiżgura li l-applikazzjoni tal-metodi ta' kontroll tkun simili biżżejjed fl-Unjoni kollha, u li l-Korpi ta' Ċertifikazzjoni kollha japplikaw l-istess kriterji f'xogħolhom;
4. Jinnota li l-Korpi ta' Ċertifikazzjoni ilhom jawditjaw b'mod indipendenti lill-PAs tal-pajjiż rispettiv tagħhom mill-1996; jilqa', f'dan ir-rigward, il-fatt li, fl-2015, għall-ewwel darba, il-Korpi ta' Ċertifikazzjoni kienu rikjesti jaċċertataw il-legalità u r-regolarità tan-nefqa relatata; iqis dan bħala żvilupp importanti hafna peress li jista' jgħin lill-Istati Membri jsaħħu l-kontrolli tagħhom u jnaqqsu l-ispejjeż ta' awditjar, u jippermetti lill-Kummissjoni tikseb aktar assigurazzjoni indipendenti dwar il-legalità u r-regolarità tal-infiq tal-PAK;
5. Jiddispjaċih madankollu li l-Kummissjoni tista' tuża x-xogħol tal-Korpi ta' Ċertifikazzjoni sa ċertu limitu biss, peress li skont ir-rapport tal-Qorti, hemm dgħufijiet sinifikanti fit-tfassil fil-qafas attwali, li minhabba fihom l-opinjoni tal-Korpi ta' Ċertifikazzjoni ma jikkonformawx bis-sħiħ mal-istandards u r-regoli tal-awditjar f'ċerti oqsma importanti;
6. Jinnota bi tħassib mir-rapport tal-Qorti li kien hemm dgħufijiet fil-metodologija kif ukoll fl-implimentazzjoni, fost oħrajn l-istrategiji tal-awditjar hafna drabi ma jkunux xierqa, settijiet ta' kampjuni inadegwati jkunu qed jitfasslu, u l-awdituri tal-Korpi ta' Ċertifikazzjoni spiss ma jkollhomx livell suffiċjenti ta' hliet u kompetenzi legali; jirrikonoxxi, madankollu, li s-sena 2015 setgħet kienet ta' sfida għall-Istati Membri, peress li r-regoli u l-linji gwida rilevanti tal-UE kienu għaddejjin minn perjodu ta' tnedija dak iż-żmien, u jista' jkun li l-Korpi ta' Ċertifikazzjoni ma jkunux ġew ipprovduti b'biżżejjed informazzjoni u taħriġ dwar l-implimentazzjoni Prattika tagħhom, jew mogħtija biżżejjed gwida dwar l-ammont meħtieġ ta' kampjuni;
7. Jistieden lill-Kummissjoni biex tagħmel aktar sforzi sabiex jiġu indirizzati n-nuqqasijiet sottolineati fir-rapport tal-Qorti, u biex jinkiseb mudell ta' awditjar uniku tassew effiċjenti fin-nefqa tal-PAK; ihegġegħ lill-Kummissjoni biex timmonitorja u tappoġġa b'mod attiv lill-Korpi ta' Ċertifikazzjoni fit-titjib ta' xogħolhom u l-metodologija dwar il-legalità u r-regolarità tan-nefqa;
8. Jindika b'mod partikolari l-htieġa li jiġu żviluppatti metodi ta' hidma aktar affidabbli fil-linji gwida relatati mar-riskju li tintefaħ l-assigurazzjoni li tirrizulta mill-kontrolli interni, ir-rappreżentattività mhux xierqa ta' kampjuni u t-tip ta' ttestjar permess, il-kalkolu mhux meħtieġ ta' żewġ rati ta' żball differenti u kif jintużaw ir-rati, u l-opinjoni tal-Korpi ta' Ċertifikazzjoni mhux affidabbli li qed jiġu bbażati fuq żball iddikjarata b'mod insuffiċjenti;

9. Jinnota wkoll mir-rapport tal-Qorti li, minkejja n-natura ta' spiss mhux affidabbli tal-istatistika ta' kontroll tal-Istati Membri, il-Kummissjoni tkompli tibbaża l-mudell ta' assigurazzjoni tagħha fuq din id-data, u li fl-2015 l-opinjoni tal-Korpi ta' Ċertifikazzjoni kienet biss wiehed mill-fatturi meħuda inkunsiderazzjoni;
10. Jiddispjaċih li l-konsegwenzi li jirriżultaw minn dan in-nuqqas ta' affidabilità huma ċari, eż. f'pagamenti diretti d-DĠ AGRI għamel top ups għal 12 minn 69 tal-APs b'rata ta' żball ta' aktar minn 2 %, filwaqt li l-AP waħda biss inizzjalment kkwalifikat id-dikjarazzjoni tagħha, u fl-2015, id-DĠ AGRI hareġ ukoll riżervi għal 10 APs. F'żoni rurali d-DĠ AGRI għamel top ups għal 36 minn 72 APs u f'14-il każ ir-rata ta' żball aġġustata kienet oghla minn 5 %, u fl-2015, id-DĠ AGRI hareġ ukoll riżervi għal 24 AP li jikkonsisti minn 18-il Stat Membru;
11. Jistieden lill-Kummissjoni biex tagħmel enfasi fuq dan in-nuqqas ta' affidabilità u tiżviluppa miżuri sabiex tikseb bażi affidabbli għall-mudell ta' assigurazzjoni tagħha; jemmen li l-Kummissjoni għandha f'dan ir-rigward tiggwida b'mod attiv lill-Korpi ta' Ċertifikazzjoni biex iwettqu opinjonijiet adegwati, u japprofittaw mill-informazzjoni u d-data pprovduta bħala riżultat;
12. Ihegġeġ lill-Kummissjoni wkoll biex tirrikjedi li l-Korpi ta' Ċertifikazzjoni jimplimentaw salvagwardji xierqa biex jiżguraw ir-rappreżentattività tal-kampjuni tagħhom, sabiex tirrikjedi li l-Korpi ta' Ċertifikazzjoni jwettqu biżżejjed ittestjar fuq il-post, sabiex tirrikjedi li l-Korpi ta' Ċertifikazzjoni jikkalkulaw ir-rata waħda biss ta' żball għal-legalità u r-regolarità, u sabiex tiżgura li l-livell ta' żball irrapportat mill-APs fl-istatistika ta' kontroll tagħhom huwa inkluz b'mod korrett fir-rata ta' żball tal-Korpi ta' Ċertifikazzjoni;
13. Jirrakkomanda, b'mod partikolari, li l-Kummissjoni tagħmel enfasi f'opinjonijiet dwar il-legalità u r-regolarità tan-nefqa tal-PAK ta' kwalità u l-kamp ta' applikazzjoni li jippermettu lill-Kummissjoni tevalwa l-affidabilità tad-data ta' kontroll tal-PAs, jew fejn xieraq, tistima l-aġġustament neċessarju tar-rati ta' żball tal-PAs fuq il-bażi tal-opinjonijiet pprovduti mill-Korpi ta' Ċertifikazzjoni;
14. Jinnota li, f'dak li għandu x'jaqsam mar-rakkomandazzjoni Nru 7 tal-QEA, il-Kummissjoni trid tiżgura li r-rata ta' żbalji tal-APs ma takkumulax wisq fir-rata globali ta' żbalji tal-Korpi ta' Ċertifikazzjoni; jemmen li l-linji gwida f'dan ir-rigward għandhom ikunu ċari kemm jista' jkun sabiex jiġu evitati interpretazzjonijiet ħżiena f'korrezzjonijiet finanzjarji;
15. Jinnota, barra minn hekk, mir-rapport tal-Qorti li s-salvagwardja tan-nuqqas ta' għarfien tal-APs tat-tranzazzjonijiet li se jkun soġġetti għal twettiq mill-ġdid, giet compromessa fil-każ tal-Italja, fejn il-Korp ta' Ċertifikazzjoni kien ta lill-AP avviż minn qabel dwar liema benefiċjarji kienu se jiġu skrutinizzati qabel ma l-AP wettqet l-maġġoranza ta' kontrolli fuq il-post inizjali tagħha; jenfasizza bil-qawwa li l-applikazzjoni adegwata tal-metodu ta' għażla bbażat fuq l-ilmenti għandha tiġi garantita f'kull każ, u avvizi minn qabel ma jistgħux jiġu applikati mingħajr konsegwenzi;
16. Jiġbed l-attenzjoni għall-fatt li għal tranzazzjonijiet mhux IACS (kemm FAEG u FAEŽR), hemm disparità sinifikanti bejn il-perjodu li għalih il-kontrolli fuq il-post huma rappurtati (sena kalendarja) u l-perjodu li għalih l-infiq huwa mħallas (mis-16 ta' Ottubru 2014 sal-15 ta' Ottubru 2015 għas-sena finanzjarja 2015); jinnota li, bħala riżultat, xi benefiċjarji

soġġetti għal kontrolli fuq il-post imwettqin matul is-sena kalendarja 2014 ma ġewx rimborżati fis-sena finanzjarja 2015, u l-Korpi ta' Ċertifikazzjoni ma jistgħux jinkludu r-rizultati ta' dawn it-tranzazzjonijiet fil-kalkolu taġġhom tar-rata ta' żball għas-sena finanzjarja kkonċernata; jistieden lill-Kummissjoni biex toħroġ b'soluzzjoni xierqa għas-sinkronizzazzjoni ta' dawn il-kalendarji;

17. Jirrimarka li l-iskedi ta' kontroll tal-APs jistgħu jkunu limitati ħafna, speċjalment fi Stati Membri bi stagun qasir tat-tkabbir, u l-għoti ta' informazzjoni rilevanti lill-Korpi ta' Ċertifikazzjoni b'mod effiċjenti u fil-hin jista' ħafna drabi jkun ta' sfida kbira; jinnota li dan jista' jwassal għall-użu ta' diversi metodi ta' kontroll differenti u r-rati ta' żball doppji, peress li l-Korpi ta' Ċertifikazzjoni ma jistgħux isegwu l-proċedura ta' kontroll tal-APs b'mod shih; jemmen li din il-kwistjoni tista' tiġi riżolta, pereżempju permezz ta' miżuri ta' monitoraġġ ibbażati fuq satelliti;
18. Jahseb li t-teknoloġija ġdida jista' jsir użu aħjar minnha b'mod ġenerali fil-kontroll tan-nefqa tal-PAK: fejn livell suffiċjenti ta' affidabilità jista' jintlaħaq eż. permezz ta' kontroll minn satelliti, il-benefiċjarji u l-awdituri jenħtieġ li ma jitgħabbewx b'numru eċċessiv ta' awditi fuq il-post; jenfasizza li filwaqt li jiġi żgurati l-interessi finanzjarji tal-finanzjament tal-UE fin-nefqa tal-PAK, l-għan aħħari tal-iskema ta' awditu uniku għandu jkun li tipprovdi kontrolli effiċjenti, sistemi amministrattivi li jiffunzjonaw u tnaqqis tal-piż burokratiku;
19. Jenfasizza, barra minn hekk, li l-mudell ta' awditu uniku għandu jkun kapaċi jipprovdi inqas saffi fis-sistema ta' kontroll u inqas spejjeż għall-UE, l-Istati Membri u l-benefiċjarji. Għandu jkun hemm enfasi akbar fuq l-affidabilità tas-sistema ġenerali ta' kontroll tal-Istat Membru, minflok ma jkun hemm fokus sempliċement fuq kontrolli supplimentari għall-benefiċjarji; iqis li s-sistema ta' kontroll għadha wisq ta' piż għall-benefiċjarji, b'mod partikolari fl-Istati Membri fejn l-irregolaritajiet u l-frodi huma iktar rari, is-sistema kumplessiva tal-awditjar hija suffiċjenti, u l-affidabilità tista' tiġi żgurata permezz ta' metodi oħrajn minbarra kontrolli eċċessivi fuq il-post;
20. Jistieden lill-Kummissjoni sabiex tiehu nota partikolari tar-rapport tal-Qorti u r-rakkomandazzjonijiet tal-Parlament Ewropew, u tiżviluppa aktar is-sistema ta' kontroll tal-infiq tal-PAK lejn approċċ ta' awditu verament uniku;