

Performance audit on the administration of EU agricultural subsidies

RIGSREVISIONEN



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Facts of CAP in Denmark

- The Danish Food Industry Agency (FIA) is responsible for the administration of the Single Payment Scheme.
- DKK 7.2 billion are paid to some 60,000 recipients
- A total of 108 cross-compliance requirements has been implemented in Danish legislation. Five additional national requirements has been implemented (2008)
- The cross-compliance control is carried out by government agencies and municipalities.



Why audit CAP?

Financially important

- Some 1.0 billion Euro is paid out each year.

Risk of repayment of funds

- Risk of repayment of funds, if the administration is inadequate.



Initial considerations

- The cross-compliance control is highly decentralized
- The Commission criticized in 2006, the conducting of cross-compliance control in Denmark
- Difficult to assess the impact of the implementation of the Single Payment Scheme

Analytical framework



Is the MOFAF's administration of applications under the Single Payment Scheme and the cross-compliance control satisfactory?

Processing of applications

Does FIA process Single Payment Scheme applications in a qualified and timely manner?

Framework for control

Has MOFAF organised the control of cross-compliance requirements in a satisfactory manner?

Conducting of control

Has FIA ensured that the control of cross-compliance is conducted in a satisfactory manner?

Processing of applications



Criteria, level 1

Criteria, level 2

Determining land size

- FIA has based its determination of land size on updated figures.

Targets for case-processing time

- FIA has ambitious application processing targets.

Framework for cross-compliance control



Criteria, level 1

Criteria, level 2

Organising control duties

- The control procedures are organised to ensure that duties are performed in compliance with the Council Regulation.
- The control procedures are organised to avoid excessive resources being used.

Cross-compliance requirements

- The cross-compliance requirements are well-founded and measurable.

Conducting of cross-compliance control



Criteria, level 1

Sampling farms for control based on risk analysis

Control performed

Criteria, level 2

- The sampling of farms for spot checks is based on selection criteria whose relevance is based on risk analyses.
- The control authorities document the control in control reports according to current requirements.
- The control authorities report to FIA within the stated deadline.
- FIA's quality assurance, ensure that the control is performed and reported in compliance with the executive order.



Economy and Effectiveness

- Economy
 - *Excessive resources are being consumed. Control authorities are conducting identical tasks and performing more controls than required*
- Effectiveness
 - *FIA has for most of the period (2005-2008) achieved the targets for processing of applications*



Methodology

Explorative interviews

- Rigsrevisionen and Ministry of Agriculture (Sweden), and
- The European Court of Auditors

Interviews

- Ministry of Food, Agriculture and Fisheries,
- Danish Agriculture & Food Council,
- Agricultural consultants,
- Local Government Denmark, and
- Researchers from the University of Copenhagen and Copenhagen Business School.

Case Studies

- 66 applications under the Single Payment Scheme,
- Risk analyses reports, and
- Documentation related to 75 spot checks.

Field study

- Participation in a spot check by the Danish Veterinary and Food Administration



Follow up/Read more

- Follow up
 - Excessive resources are being consumed
 - Sampling for spot checks based on risk analysis
 - National cross-compliance requirements
 - Assessment of compliance with the cross-compliance standards
- Read more
 - *Report to the Public Accounts Committee on the Ministry of Food, Agriculture and Fisheries' administration of the EU agricultural subsidies, April 2009, available at www.rigsrevisionen.dk*