

**PRAKTISCHE FINANZKONTROLLE
REGIONALER FINANZKONTROLLORGANE
IN EUROPA
-ERFAHRUNGEN AUS DER PRÜFUNG VON
EU-MITTELN IN DEN EUROPÄISCHEN
REGIONEN**

**REGIONAL FINANCIAL CONTROL
IN PRACTICE IN THE
EUROPEAN COUNTRIES
-REGIONAL EXPERIENCES IN AUDITING
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**PRÁCTICA DEL CONTROL FINANCIERO
A NIVEL REGIONAL EN LOS
PAÍSES EUROPEOS
-EXPERIENCIAS EN LA FISCALIZACIÓN DE
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-Ejemplo del País Vasco/The case of the Basque Country:

Dña. Begoña Lopez Errasti
Consejera del Tribunal Vasco de Cuentas Públicas

-The case of local authorities in England and Wales:

Mr. Michael Robinson
District Auditor, Audit Commission of England and Wales

-Beispiel Sachsen-Anhalt/The case of Saxony-Anhalt:

Dr. Horst Schröder
Präsident des Landesrechnungshofs Sachsen-Anhalt

EXPERIENCES ARISING FROM THE AUDIT OF EU FUNDS IN SAXONY-ANHALT

After the German reunification the region ("*Land*") *Sachsen-Anhalt* was classified as Objective-1-Region within the framework of the regional economic aid of the European Union. The reason for this are the obvious problems which the former industrial location Sachsen-Anhalt has had to endure as a result of extreme structural changes. In this sense both the Federal Government and the *Land* have been (and they still are) making considerable efforts, besides EU aid, in order to attain a similar standard of living to that of the old *Länder*.

Which experiences with the employment of EU funds and their respective audit has the regional Court of Audit ("*Landesrechnungshof*") Sachsen-Anhalt up to the present?

1. At first there were problems with the introduction of EU funds within the budgets. At the beginning items were listed separately on the income side. On the expenditure side, however, complementary funds to be added to the allocation of EU funds were not listed separately beneath the expenditure on joint activities of the Federation and the *Länder* for the improvement of the regional economic structures. Furthermore, the estimation of income and expenditure within the framework of EAGGF Programmes (European Agricultural Guidance and Guarantee Fund Programmes) was incomplete or entirely omitted. Likewise, at times more detailed information about the course of the entire programme regarding income and expenditure, on the one hand, and the spreading of items over the years foreseen in the programme, on the other, were omitted in the comments to the 1991-1993 budgets.

In recent years these first difficulties have been overcome. Particularly, in the last two years the allocations of EU funds were identified separately both on the income side and on the expenditure side.

EU funds are estimated in the budget of the *Land* Sachsen-Anhalt in separate plans

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| 05 | Ministry/Department of Labour, Health and Social Affairs
<i>Income coming from the Social Fund</i> |
| 08 | Ministry/Department of Trade and Technology
<i>ERDF-Programme</i> |
| 09 | Ministry/Department of Nutrition, Agriculture and Forestry
<i>Agricultural structure fund</i> |
| 15 | Ministry/Department of the Environment, Nature Conservation and Town and Country Planning
<i>EU-Life-Programme for the Environment</i> |

The budgetary plan draft for 1996 to be discussed describes these allocations as follows:

05	Income	167,8 million DM
08	Income	412,3 million DM
09	Income	209,6 million DM
15	Income	<u>0,4 million DM</u>

approx. 790 million DM

(This is in all approximately 3,7 per cent of the estimated total of income which amounts to 21,5 thousand million DM)

Most of these allocations are within the framework of ESF, ERDF II, EAGGF and EU-Life Programmes.¹

2. Until now the audit of the employment of EU funds by the *Landesrechnungshof Sachsen-Anhalt* was carried out within the framework of the audit of joint activities funds (funds for joint activities of the Federation and the *Länder* for the improvement of the regional economic structures), that is to say, indirectly expenditure arising from EU allocations were included here. A separate audit was not carried out.

The main goal both for joint activities funds and EU funds is the promotion of investments together with the creation and preservation of jobs. This goal has mainly been attained.

3. Up to the present audits in cooperation with the European Court of Auditors have not been carried out. However, the *Landesrechnungshof Sachsen-Anhalt* has participated in an audit on the employment of funds coming from ERDF I- Programme, that is to say, this institution has put the local knowledge and the expert knowledge of its auditors at the disposal of the Court. For instance, European funds for a company which prepared the remodelling and reuse of sleepers in the German Federal Railway were included in the audit.

The writing of the report was carried out by the European Court of Auditors, which afterwards supplied the report to our institution. Through this procedure the abovementioned facts did not have to be audited again by the *Landesrechnungshof Sachsen-Anhalt*.

4. I regret to say that until now information on audits implemented by the European Court of Auditors has not been satisfactory. The reason for this may be that these pieces of information were supplied to the Federal Court of Auditors ("*Bundesrechnungshof*") and very frequently were not passed on. Unfortunately the European Court of Auditors has not referred the results of its audits to the *Landesrechnungshof Sachsen-Anhalt*, either (with the exception of the abovementioned example). However, of course the respective Departments/Ministries obviously received these reports.

From now on I would consider worthwhile any information which arrives in time. I would also like to clarify that the basic position is that the European Court of Auditors and regional audit institutions should carry out joint audits, if possible. n

¹ European Social Funds; European Regional Development Fund; European Agricultural/Environment Guidance and Guarantee Fund as well as some other programmes.