Framework Financial Regulation for the Community bodies referred to in Article 185 Regulation (EC, Euratom) No 1605/2002

2007/0151(CNS) - 20/07/2007 - Legislative proposal

PURPOSE: to amend Commission Regulation (EC, Euratom) No 2343/2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC,

Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

PROPOSED ACT: Commission Regulation (EC, Euratom).

CONTENT: following the amendment of Regulation (EC, Euratom) No 1605/2002 ("general Financial Regulation") by Council Regulation (EC, Euratom) No 1995/2006, it is necessary to adapt Commission Regulation (EC, Euratom) No 2343/2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities in order to align it with the general Financial Regulation. Other amendments have become necessary in the light of experience gathered by the existing Community bodies.

The amendments proposed by the Commission aim to:

- make clear that sound financial management requires effective and efficient internal control. The main features and objectives of internal control systems should be defined;
- provide for a general obligation whereby the Community bodies must make available information on the beneficiaries of those funds to ensure the transparency of the use of funds deriving from their budgets;
- complete the list of assigned revenue in accordance with Article 18(1) of the general Financial Regulation;
- simplify the publication of the budget of Community bodies, while preserving the prerogatives of the budgetary authority and the Court of Auditors;
- clarify the procedure regarding transfers to be adopted by the directors of Community bodies which has been applied inconsistently;
- specify the effects of part-time work on the establishment plan to facilitate its use especially in small Community bodies;
- provide for particulars regarding conflict of interest situations to cover all persons involved in procurement and grant procedures;
- simplify the treatment of similar individual transactions relating to certain routine expenditure items with regard to ex ante verification obligations;
- expressively limit financial liability of authorising officers to cases of gross negligence and intentional misconduct;
- enable Community bodies to use a direct debit system, which may facilitate transactions in certain cases;
- refer explicitly to the functional independence of the accounting officer in the performance of his duties given that the director of the Community body, as authorising officer, is the hierarchical superior of the accounting officer;

- clarify accounting officers' responsibility for certifying the accounts on the basis of the financial information supplied to them by authorising officers. To this end, the accounting officer should be empowered to check the information received from the authorising officer by delegation and to enter reservations, if necessary;
- define a set of rules for fees and charges in order to meet the needs of certain Community bodies financed from such revenue;
- provide that the specialised Financial Irregularities Panel of the Commission should become, by default, competent for Community bodies unless the latter decide to set up a panel or to participate in a joint panel established by several Community bodies;
- specify the conditions for the use, by Community bodies, of Commission services and offices, interinstitutional European offices and the Translation Centre for bodies of the European Union and joint procurement procedures with host Member States in order to reinforce interinstitutional cooperation, cooperation between Community bodies and with host Member States;
- provide for a specific procedure for the selection of experts, similar to that laid down in the general Financial Regulation.