

Executive Agencies: standard financial regulation

2007/0901(CNS) - 09/07/2008 - Final act

PURPOSE: to amend Regulation (EC) No 1653/2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes.

LEGISLATIVE ACT: Commission Regulation (EC) No 651/2008 amending Regulation (EC) No 1653/2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes.

CONTENT: following the adoption of Council Regulation (EC, Euratom) No 1995/2006 amending Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities, it is necessary to adapt Commission Regulation (EC) No 1653/2004 in order to align it with Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (General Financial Regulation).

Other amendments became necessary in the light of experience gathered by the existing agencies. The amendments introduced by the Council aim to:

- clarify that sound financial management requires effective and efficient internal control;
- simplify the publication of the administrative budget of agencies while preserving the prerogatives of the budgetary authority and of the Court of Auditors;
- streamline and accelerate the procedure regarding transfers to be adopted by the directors of agencies;
- introduce into the standard financial regulation clarifications regarding conflict of interest situations, new provisions regarding ex ante verification of similar individual transactions relating to certain routine expenditure items, provisions on the liability of authorising officers and the use of a direct debit system;
- ensure increase transparency vis-à-vis the budgetary authority through new information requirements incumbent on the agencies in the budget procedure in particular as regards the number of contract staff and waivers to recovery of established amounts receivable;
- make available information on the beneficiaries of these funds within certain limits necessary to protect legitimate public and private interests;
- enable agencies to participate in fraud prevention activities of the European Anti-fraud Office;
- oblige agencies to establish a list of amounts receivable, stating the names of the debtors and the amount of the debt where the debtor has been ordered to pay by a Court decision that has the force of res judicata and where no or no significant payment has been made for one year after its pronouncement. This list should be published, taking into account the legislation applicable to data protection;
- clarify the accounting officers' responsibility for certifying the accounts on the basis of the financial information supplied to them by the authorising officers. To this end, the accounting officer should be empowered to check the information received by the authorising officer by delegation and to enter reservations, if necessary;
- streamline the reporting mechanisms and avoid diffuse information flows, the report of the internal auditor regarding the administrative appropriations of executive agencies should become part of the internal auditor's report pursuant to Article 86(3) of the general Financial Regulation. For the same

reason, the Commission should include the reports established by the agencies in accordance with the fourth paragraph of Article 49 of Regulation (EC) No 1653/2004 in its report pursuant to Article 86(4) of the general Financial Regulation which it forwards to the discharge authority;

- clarify the conditions for the use, by the agencies, of Commission services and offices, interinstitutional European offices and the Translation Centre for bodies of the European Union established by Council Regulation (EC) No 2965/94 setting up a Translation Centre for bodies of the European Union should be clarified. A provision for the selection of experts, corresponding to the one introduced in the general Financial Regulation, should be inserted;
- require Community bodies to insert specific contractual clauses in their contracts concluded with third parties enabling them to exercise certain rights, including the suspension and termination of contracts and tender procedures and the establishment of a limitation period;
- introduce, for reasons of transparency vis-à-vis the budgetary authority, an information procedure for projects with significant impact on the administrative budget of the agency;
- harmonise the discharge date for the operating budget of the executive agencies with the one for the general budget.

ENTRY INTO FORCE: 30/07/2008.