Structural Funds: financial control, net financial corrections procedure

1997/2121(COS) - 12/05/1997 - Non-legislative basic document

OBJECTIVE: to introduce a net financial correction procedure for the structural funds. CONTENT: the European Commission and a group of personal representatives (GPR) of the ministers of finance is dealing with problems affecting shared budget management (Community/Member States) within the framework of the SEM 2000 programme (Sound and Efficient financial Management). The Commission and the GPR have agreed to introduce a financial correction procedure for the structural funds. The Commission plans to implement this procedure by August 1997 and has therefore submitted a document on: - a draft Commission regulation detailing the control obligations of the Member States (Article 23 of Regulation (EEC) No 4253/88); - a text containing guidelines on the application of financial corrections under Article 24 of Regulation (EEC) No 4253/88. The financial corrections for the EAGGF-Guarantee will henceforth constitute a coherent and consolidated system, albeit with lacunae. However, no such complete regulation exists in the field of the structural funds and clearance will therefore need to based on Regulation (EEC) No 4253/88, as amended by Regulation (EC) No 2082/93 (regulation on the coordination of the funds) and, more importantly on: - Article 23 (financial control) which makes provision for Member States to: . take measures to prevent, identify and prosecute irregularities and recover lost funds; . inform the Commission on the above measures, on administrative and judicial proceedings and on the control and management systems established. - Article 24 (reduction, suspension and cancellation of assistance). This article allows the Commission to reduce or suspend assistance in respect of an irregular operation if the nature or conditions for the implementation of the operation have changed significantly. This sanction is applied following an examination within the framework of the partnership and requires any unduly received sums to be repaid to the Commission.