

General budget of the European Communities: recasting of the financial regulation

2000/0203(CNS) - 21/12/2001 - Modified legislative proposal

The Commission welcomes the changes made by the various institutions to the proposed revision of the Financial Regulation, noting that they are broadly in line with its own views and position. It accepts many of the Parliamentary, Council and Court of Auditors proposed changes. Where it has not done so it explains in some detail its justification for not doing so. Many of the fundamental points have, however, been accepted and include: - simplification of the Financial Regulation and rationalisation of the budget structure; - activity-based budgeting (ABB); - budget implementation arrangements externalisation; - the new role for financial actors; - and the proposed provisions for procurement and grants. Concerning amendments to: The scope of the Financial Regulation, the Commission can partly accept parliamentary requests that any regulation containing a budget provision must comply with the Financial Regulation. On the question of the principle of unity, whereby Parliament seeks to have European security policy, the Community agencies and the EDF included under the scope of the Regulation, the Commission has rejected these plans. Nevertheless, in an attempt to enhance democratic control the Commission has proposed that Parliament be responsible for the discharge of the Community agencies. Concerning Court of Auditor requests to drop the arrangement for the carry over of appropriations, the Commission has decided not to accept this proposal. The Commission further proposes tightening rules governing the raising of loans for the sole purpose of acquiring land and buildings. Concerning the EAGGF negative expenditure, the Court has been keen that this be entered in the budget as miscellaneous revenue, rather than negative expenditure. The Commission has, however, decided to uphold its initial position and make no changes to the existing text. Parliamentary amendments reducing the Commission's ability to transfer up to 10% of appropriations between chapters within any one title to 5%, have similarly been rejected by the Commission. The Commission has decided to drop requests from the Court of Auditors to do away with the retention of the "negative reserve. The Commission, following initial institutional concern, is redrafting plans for transfers from the reserve to the budget line. On the matter of personal officer liability, the Commission rejects proposals whereby new provisions be added to the Financial Regulation regarding this matter. It does, nevertheless, agree that a "financial irregularities panel" be set up via the Financial Regulation. On the question of an internal auditor, the Commission has accepted most Parliamentary amendments relating to this issue. In terms of waiving debts, the Commission intends to stipulate that waiver decisions must be adopted at the level of "authorising" officer and may be delegated only as laid down in the implementing rules. On the question of "global commitment" the Commission has agreed to propose an alternative, tighter definition. In line with Court concerns over accounting methods, the Commission has made a thorough overhaul of the articles in question. Similarly, the Commission hopes that ABB will strengthen the management and monitoring instruments as requested by the Council. Concerning the Chapter on "External Auditing", the Commission has opted to retain this chapter in spite of initial Court doubts. In terms of "Special Provisions" relating to the EAGGF, Structural Funds, Research and External Actions. The Commission is, by and large, maintaining its original position and rejecting the proposals forwarded by the Court of Auditors. Following Parliamentary and Court concerns the Commission has agreed to include in the proposal a title on offices with a general chapter containing general rules applying to all offices and a chapter covering the specific features of OLAF.