Amendment to the Financial Regulation of 21.12.1977 applicable to the EC budget. Joint orientation

1996/0189(CNS) - 26/07/1996 - Legislative proposal

OBJECTIVE: amending the Financial Regulation applicable to the general budget of the European Communities, in order to improve financial management with a view to institutional reform (enlargement of the EU). SUBSTANCE: the amendments contained in the Proposal (the seventh series) stem from the conclusions of the Liikanen-Gradin group on the second phase of the improvement of financial management (SEM 2000). The principal amendments proposed are as follows: - strengthening the control of ongoing commitments; - ensuring an exact correspondence between the legal commitments entered into by the institution and the accounting commitments submitted to Financial Control and recorded in the central accounts; - if management of Community programmes is sub-contracted, ensuring that this is governed by appropriate provisions guaranteeing the transparency of the operations; - strengthening discipline with regard to inventories by laying down the respective duties of the authorizing officer, the financial controller and the accounting officer; - introducing provisions involving the accounting officer in the establishment of the computerized systems of financial management used by the authorizing officers and provisions governing the transmission of payment orders to banks under the computerized procedures; - ensuring strict control of the subdelegation of powers to sign financial documents (pecuniary liability of staff); - where the financial controller withholds approval, setting a deadline for initiation of the procedure to overrule him; - endowing the Financial Regulation with provisions for the entry in the accounts of traditional own-resources; - improving the system of accounts where computerization is playing a bigger role; - as regards external aid, bringing the award of contracts into line with the requirements of the GATT Agreement and the Council Directives coordinating the procedures for the award of public contracts.