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

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The Court repeats its argument set out in Opinion No2/2001 that, to avoid restrictive and controversial interpretation of the provisions of the Treaty concerning the Court's role and responsibilities as external auditor of the Community's finances, the provisions of the Treaty should not be repeated or extended in the Financial Regulation. Also, in light of the above observations, for reasons both of timetable and compatibility with the Treaty, the Court considers that the proposal to include formally the obtaining of Member States' replies in the procedure for the annual and special reports should be dropped. Reliance should continue to be placed on the sector letter procedure to obtain the position of the Member States on the audit findings of the Court. The Court also proposes that the procedure and the timetable for the accounts should be modified to ensure that the accounts presented for audit are exhaustive and consistent documents approved by the Commission. Thus, it is not just the Court, but also the Member States and the Commission that will find the timetable unworkable. Indeed, in order to maximise the time available for completing its annual audit work, particularly on the accounts and other aspects of the statement of assurance, the Court suggests that its preliminary observations be presented on 1 July rather than 15 June. This is still consistent with producing the final annual report on 31 October. In Annex 1 is set out a series of timetables for the presentation of the accounts and for the annual report of the Court. It includes the timetable of the current Financial Regulation, that of the initial proposal of the Commission, and that of the amended proposal, and, finally, a new proposal of the Court which is designed to overcome the difficulties posed by the proposals of the Commission. With these amendments, the Court considers that bringing forward the timetable so that preliminary observations are transmitted to the Commission on 1 July and the final annual report of the Court is transmitted to the discharge authorities and the other institutions by 31 October, is feasible. The fourth column of Annex 1 sets out the complete proposed timetable. Accordingly, the Court presents redrafts for the text of Article 127, 128 and 138 to 145 of the amended proposal. These are set out in Annex 2.