Executive Agencies: standard financial regulation, administrative appropriations

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In its Opinion 9/2003 on a draft Commission regulation on a standard financial regulation for the executive agencies pursuant to Council Regulation 58/2003/EC laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes, the Court of Auditors makes several remarks which can be summarised as follows : - carrying over appropriations from one year to the next : Article 9 of the draft Commission regulation lays down the possibility of carrying over 'appropriations corresponding to obligations duly contracted at the close of the financial year'. These appropriations shall be cancelled if not committed by 31 March of the following financial year. However, according to Article 44 of the draft Commission regulation and the corresponding provisions of the general between administrative and operating expenditure, a budgetary commitment must be made before entering a legal obligation. Therefore, only committed appropriations should be carried over. Appropriations that, at the end of the financial year, have still not been used for budgetary commitments should be cancelled; - report : Articles 57 and 66 of its draft regulation the Commission sets out that the Court comments on the provisional accounts of the agency, makes an annual report and issues a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions. This is not in line with Council Regulation 58/2003/EC which mentions a 'report by the Court of Auditors', but does not refer to any comments by the Court on provisional accounts or the issuing of a statement of assurance. According to the Court, the daft Commission regulation should not define the Court's tasks further than Council Regulation 58/2003/EC does. The Court considers that it has no obligation to comment on provisional accounts of these bodies set up by the Community or to issue a specific annual report on each executive agency; - effectiveness of the control of Community expenditure : the Court reiterates the recommendation made in its opinion No 8/2001 and encourages the Commission to provide, where appropriate, for a prior scrutiny of the agencies' accounts before their consolidation with the accounts of the Commission.