Recasting of financial regulation

1998/2169(COS) - 23/03/1999 - Text adopted by Parliament, single reading

The Parliament adopted a resolution drafted by Gianfranco Dell'Alba (ERA, I) calling for an overhaul of the financial regulation to improve procedures to combat fraud. The Parliament accepts the Commission's suggestion to reorganise the present Regulation into two parts (general provisions and special provisions relating to specific sectors). It proposes that there shopuld be consideration pf the scope for taking account, within the purview of the Regulation, of certain elements of 'soft law' constituted by the inter-institutional agreements and, in particular, the content of Article 17 of the 1993 IIA, which presumes agreement on the MRI if the financial perspective ceilings are complied with. It affirms its intention of stating in more detail the Commission's obligations to provide the budgetary authority with information, given the serious shortcomings which emerged in the discharge procedure for 1996 and in the light of the powers available to the Court of Auditors with regard to access to documents. It takes the view that an IIA on the application of Art. 206(2) of the Treaty (future Art. 276) should establish a procedure of the kind that governs Parliament's right of inquiry, so as to ensure the confidentiality of any information that is forwarded, appearances by officials or other agents who have been summoned, etc. and thus create a climate of trust between the discharge authority and the authority being inspected. It stresses that its own procedures have hitherto enabled it to ensure that the principles which guarantee the protection of human rights and fundamental freedoms are complied with, particularly in the context of discharge, but considers that these provisions should be codified and adapted. It calls for the Financial Regulation to enshrine as soon as possible the recommendations which the high level group proposed by the Presidency-in-Office of the Council, comprising the representatives of the three institutions, may be led to make with a view to creating a new anti-fraud agency independent of the Commission. It supports the Commission's position in favour of applying the Financial Regulation and Art. 205 of the Treaty (future Art. 274) to expenditure relating to the activities coming under the second and third pillars where they are borne by the Community budget; it also restates its call for activities such as the Schengen Information System, the Eurodac system and EUROPOL itself to be included in the budget. It calls for specific proposals from the Commission on the budgetisation of the activities currently financed outside the budget, such as the various European funds (in particular the Guarantee Fund for External Actions), borrowing and lending operations, the decentralised agencies, and the EDF. It proposes, if certain activities cannot yet be fully budgetised, that a series of principles be specified, such as the Parliament's involvement in the Commission's annual forecasting exercise, inclusion of the operations in the regular budget implementation reports, the applicability of the Financial Regulation to the activities concerned and the power of the Commission and the Court of Auditors to carry out the necessary checks. It opposes the Commission's suggestion to treat negative expenditure in the agricultural sector as re-use ofappropriations or as earmarked revenue, and advocates that such amounts should, instead, be regarded as revenue belonging to the Community budget. It proposes that there should be consideration of the scope for creating earmarked reserves, where a transfer would not take place until payments had become necessary. It presses for a number of clarifications concerning the new system of ex post or spot check financial control introduced by the seventh series of amendments, under which the Financial Controller no longer necessarily gives prior approval to commitments; it calls in this connection for the ex post establishment of irregularities to have serious consequences (recovery of expenditure, disciplinary procedure). It calls on the Commission to propose provisions which : - endow the rules governiong commitments with the regulatory clarity required by the Court of Auditors; - establish a coherent system defining the powers of those involved in budget transactions, recalling, in this connection, the Court of Auditors' proposals for authorising officers to be made responsible for the proper functioning of such a system; - increase the dependence of future decisions on the outcome of evaluations; - incorporate within the Financial Regulation the provisions which will govern causes, cases and consequences of conflicts of interest; it calls for those provisions to be such as to relate not only to players in the budgetary procedure but also to administrative staff, be they employed on a statutory or any other basis, and to any persons who may exert influence on the budgetary and administrative procedures, including Members of the Commission in the appropriate legal context.