

General budget of the European Communities: review of the recast Financial Regulation

2005/0090(CNS) - 07/12/2005 - Court of Auditors: opinion, report

The Court of Auditors adopted opinion 10/2005 on the draft Council Regulation amending Regulation 1605/2002/EC.

The Court feels that, as the previous financial management reform is too recent to have been able to achieve all its objectives, there is no justification for the scale of the revision proposed by the Commission. The extent of the revision and the contents of some amendments risk complicating management unnecessarily.

This applies particularly in the case of the new exceptions to budgetary principles that have been introduced in response to difficulties experienced by some Commission departments and as a result of amendments to sectoral regulations. The Court considers that most of these needs could be resolved within the framework of the current Financial Regulation.

The steps taken to simplify financial management in the areas of procurement and grants and the effort made to protect the Communities' financial interests (proposed amendments concerning recoveries, suspension or implementation of contracts, sanctions) represent progress towards better financial management.

Nevertheless, the proposed revision does not provide the solution to certain management needs (flexibility in the management of employees, transactions involving the purchase/ construction of buildings, clarification of the responsibilities of the financial actors). In other cases, the amendments proposed are not radical enough to resolve the problems to which they are trying to respond (methods of implementing the budget, role of the Accounting Officer). Furthermore, the Court considers that greater use should have been made of the possibilities of interinstitutional cooperation.