Basic information

1997/2121(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Structural Funds: financial control, net financial corrections procedure **Subject** 4.70.01 Structural funds, investment funds in general, programmes	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	COLOM I NAVAL Joan (PSE)	16/06/1997

Committee for opinion	Rapporteur for opinion	Appointed
REGI Regional Policy		

Council of the European Union

Key events

Date	Event	Reference	Summary
12/05/1997	Non-legislative basic document published	N4-0246/1997	Summary
09/06/1997	Committee referral announced in Parliament		
02/07/1997	Vote in committee		
02/07/1997	Committee report tabled for plenary	A4-0230/1997	
17/07/1997	Debate in Parliament		
18/07/1997	End of procedure in Parliament		
22/09/1997	Final act published in Official Journal		

Technical information

Procedure reference	1997/2121(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148

Stage reached in procedure	Procedure completed
Committee dossier	CONT/4/08978

Documentation gateway				
European Parliament				
Document type	**Committee**	**Reference**	**Date**	**Summary**
Committee report tabled for plenary, single reading		A4-0230/1997 OJ C 286 22.09.1997, p. 0007	02/07/1997	
Text adopted by Parliament, single reading		T4-0414/1997 OJ C 286 22.09.1997, p. 0325-0341	18/07/1997	Summary
European Commission				
Document type		**Reference**	**Date**	**Summary**
Non-legislative basic document		N4-0246/1997	12/05/1997	Summary

Structural Funds: financial control, net financial corrections procedure

1997/2121(COS) - 18/07/1997 - Text adopted by Parliament, single reading

In adopting the report by Mr Joan COLOM I NAVAL (PSE, E), the European Parliament expressed the view that the procedure for applying financial corrections to the financing activities of the Structural Funds might be introduced on the basis of the pragmatic framework proposed by the Commission. However, it considered that certain shortcomings detracted from both the effectiveness and the transparency of the procedure, and reduced the clarity of relations with the discharge authority: - the Commission should be able to examine the accounts underpinning the declaration by the national body responsible for certifying the validity of the request for final payment and the legality and regularity of the underlying operations; to that end, it should be able to accredit the paying agencies and audit their accounts; - the procedure should be defined more clearly, particularly as regards the exchanges of views with Member States prior to the application of corrections; a conciliation committee might be envisaged; - the criteria for applying flat-rate corrections should be clarified, particularly as regards the scale of the correction, and the period to which it applied; - the relationship between the decision to make a correction and the decision to grant a discharge relating to the same period should be clarified. Parliament called on the Commission, if these shortcomings were not rectified within the current legal framework, to undertake to submit future proposals relating to the regulations governing the Funds and the Financial Regulation.

Structural Funds: financial control, net financial corrections procedure

1997/2121(COS) - 12/05/1997 - Non-legislative basic document

OBJECTIVE: to introduce a net financial correction procedure for the structural funds. CONTENT: the European Commission and a group of personal representatives (GPR) of the ministers of finance is dealing with problems affecting shared budget management (Community/Member States) within the framework of the SEM 2000 programme (Sound and Efficient financial Management). The Commission and the GPR have agreed to introduce a financial correction procedure for the structural funds. The Commission plans to implement this procedure by August 1997 and has therefore submitted a document on: - a draft Commission regulation detailing the control obligations of the Member States (Article 23 of Regulation (EEC) No 4253/88); - a text containing guidelines on the application of financial corrections under Article 24 of Regulation (EEC) No 4253/88. The financial corrections for the EAGGF-Guarantee will henceforth constitute a coherent and consolidated system, albeit with lacunae. However, no such complete regulation exists in the field of the structural funds and clearance will therefore need to based on Regulation (EEC) No 4253/88, as amended by Regulation (EC) No 2082 /93 (regulation on the coordination of the funds) and, more importantly on: - Article 23 (financial control) which makes provision for Member States to: . take measures to prevent, identify and prosecute irregularities and recover lost funds; . inform the Commission on the above measures, on administrative and judicial proceedings and on the control and management systems established. - Article 24 (reduction, suspension and cancellation of assistance). This article allows the Commission to reduce or suspend assistance in respect of an irregular operation if the nature or conditions for the implementation of the operation have changed significantly. This sanction is applied following an examination within the framework of the partnership and requires any unduly received sums to be repaid to the Commission.