Basic information

2000/0135(CNS) CNS - Consultation procedure Regulation	Procedure completed
Amendment to the Financial Regulation: separation of the internal audit from the ex ante control **Subject** 8.70.02 Financial regulations	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	VAN HULTEN Michiel (PSE)	22/03/2001

Former committee responsible	Former rapporteur	Appointed
CONT Budgetary Control	VAN HULTEN Michiel (PSE)	06/06/2000

Former committee for opinion	Former rapporteur for opinion	Appointed
BUDG Budgets	DELL'ALBA Gianfranco (TDI)	22/09/1999

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2342	2001-04-09
Telecommunications	2325	2000-12-22

European Commission

Commission DG	Commissioner
Budget	

Key events

Date	Event	Reference	Summary
		COM(2000)0341	Summary

30/05/2000	Legislative proposal published		
16/06/2000	Committee referral announced in Parliament		
19/09/2000	Vote in committee		Summary
19/09/2000	Committee report tabled for plenary, 1st reading/single reading	A5-0260/2000	
04/10/2000	Debate in Parliament		
05/10/2000	Decision by Parliament	T5-0438/2000	Summary
31/10/2000	Modified legislative proposal published	COM(2000)0693	Summary
18/12/2000	Amended legislative proposal for reconsultation published	14380/2000	Summary
29/12/2000	Formal reconsultation of Parliament		
21/03/2001	Vote in committee		Summary
21/03/2001	Committee report tabled for plenary, reconsultation	A5-0100/2001	
05/04/2001	Decision by Parliament	T5-0188/2001	Summary
09/04/2001	Act adopted by Council after consultation of Parliament		
09/04/2001	End of procedure in Parliament		
20/04/2001	Final act published in Official Journal		

Technical information

Procedure reference	2000/0135(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 279
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/12835 CONT/5/12837

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0260/2000 OJ C 178 22.06.2001, p. 0008	19/09/2000	
Text adopted by Parliament, 1st reading/single reading		T5-0438/2000 OJ C 178 22.06.2001, p. 0185-0271	05/10/2000	Summary
Committee final report tabled for plenary, reconsultation		A5-0100/2001	21/03/2001	
Text adopted by Parliament after reconsultation		T5-0188/2001 OJ C 021 24.01.2002, p. 0254-0303 E	05/04/2001	Summary

Council of the EU

Document type	Reference	Date	Summary
Amended legislative proposal for reconsultation	14380/2000	18/12/2000	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2000)0341 OJ C 311 31.10.2000, p. 0328 E	30/05/2000	Summary
Modified legislative proposal	COM(2000)0693 OJ C 062 27.02.2001, p. 0294 E	31/10/2000	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Document attached to the procedure	RCC0001/2000 OJ C 085 23.03.2000, p. 0001	24/01/2000	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Regulation 2001/0762
OJ L 111 20.04.2001, p. 0001 Summary

Amendment to the Financial Regulation: separation of the internal audit from the ex ante control

2000/0135(CNS) - 05/04/2001 - Text adopted by Parliament after reconsultation

The European Parliament voted to endorse the report without debate by Michiel Van HULTEN (PES, NL) on the outcome of the agreement reached in conciliation on the separation of internal audit and ex ante financial control.

Amendment to the Financial Regulation: separation of the internal audit from the ex ante control

2000/0135(CNS) - 31/10/2000 - Modified legislative proposal

The European Commission has accepted the amendments suggested by the European Parliament and the Court of Auditors which relate in particular to: - the addition of an article on the production by the financial controller of an annual report for the budgetary authority ; - redrafting the new article of

the Financial Regulation on the internal auditor to develop the missions of the internal auditor and specify that they are incompatible with those of authorising officier or accounting officier; to introduce flexibility for the institutions other than the Commission, the European Parliament and the Council; to require the publication of an annual internal audit report and exchanges of good practices between institutions; - the addition of a recital and an Article 2a to the proposed Regulation to restate that ex ante controls are retained in with the necessary resources and independence for these controls to be performed; - the statement in the Financial Regulation of the principle of an independent audit function; - the stipulation of the separation of the functions of internal auditor, financial controller, authorising officer and accounting officer; - the stress on the independence of the internal auditor; - the identification of the provisions on the internal auditor in a separate title. Broadly speaking the Commission can accept these amendments. The Commission has not, on the other hand, incorporated the following three amendments in its amended proposal: - first, if the internal audit function is separate from the ex ante control, and official or other servant must be appointed to take charge of it in each institution. This does not seem practical; - second the fast track procedure for a specific amendment to Financial Regulation is not the appropriate method for expanding the internal audit missions as proposed by the European Parliament; - there is not doubt that the internal auditor is not a financial actor within the meaning of the Financial Regulation. The proposed recasting does in fact have a separate chapter for the provisions concerning the internal auditor, but changing the structure of the Financial Regulation is not feasible as part of this specific proposal.

Amendment to the Financial Regulation: separation of the internal audit from the ex ante control

2000/0135(CNS) - 09/04/2001 - Final act

PURPOSE : to amend the Financial Regulation of 21/12/1977 applicable to the general budget of the European Communities as regards separating the internal audit function from the ex-ante financial control function. COMMUNITY MEASURE : Council Regulation 762/2001/EC, ECSC, Euratom. CONTENT : pending the recasting of the Financial Regulation, this regulation aims to separate the internal audit function from the financial controller's other functions. This separation shall enable the financial controller to continue to fulfil his present functions, including ex ante finaicnal control, but not that of internal audit, which will be performed by an internal auditor independent of the financial controller. In order to bring greater transparency to budget implementation, each institution's financial controller and internal auditor auditor should produce an annual report illustrating the main lessons to be learned from the last financial year. ENTRY INTO FORCE : 27/04/2001.

Amendment to the Financial Regulation: separation of the internal audit from the ex ante control

2000/0135(CNS) - 05/10/2000 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted the resolution drafted by Michiel VAN HULTEN (PES, Netherlands) on separating internal audit and ex ante financial control functions. Parliament introduced some amendments to the draft regulation which expand on the appointment and duties of the internal auditor. Institutions other than Parliament and Council may decide to appoint an internal auditor, but if one is not appointed, the Financial Controller will be responsible for the internal audit of that institution.

Amendment to the Financial Regulation: separation of the internal audit from the ex ante control

2000/0135(CNS) - 30/05/2000 - Legislative proposal

PURPOSE : to separate the internal audit functions from the Financial Controller's other functions. CONTENT : this proposal is based on the premise that the accumulation of the internal audit function and the control ex-ante by the Financial Controller under Article 24, paragraph 5 of the Financial Regulation, may give rise to a dispersal of the two functions without necessarily ensuring the right balance between the two. Pending the adoption of the Financial Regulation, the internal audit function should be separated from the Financial Controller's other functions as soon as possible. The result is that the Financial Controller would continue to fulfil his present functions, including ex-ante control, but not that of internal audit, which would be performed by an Internal Auditor independent of the Financial Controller.

Amendment to the Financial Regulation: separation of the internal audit from the ex ante control

2000/0135(CNS) - 24/01/2000 - Document attached to the procedure

In its opinion, the Court of Auditors proposes the introduction of amendments to the Financial Regulation to: - specify that internal auditing is an assurance and consulting activity designed to add value and improve the institution's operations, as well as helping it to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the management and control processes; - stipulate that each institution shall designate the internal auditor according to the method appropriate to its specific characteristics and requirements; - establish that the internal audit function is incompatible with all other functions; - ensure that the principle of the independence of the internal auditor vis-à-vis those who are audited is upheld; - define the scope of the internal auditor's work and adopt detailed objectives and procedures for the internal audit function, having due regard to international internal auditing standards.

Amendment to the Financial Regulation: separation of the internal audit from the ex ante control

2000/0135(CNS) - 18/12/2000 - Amended legislative proposal for reconsultation

The Council adopted a political agreement relating to the amendment of the Financial Regulation concerning the separation of the internal audit from the ex ante control.