

Procedure file

Basic information		
CNS - Consultation procedure Regulation	2000/0901(CNS)	Procedure completed
Financial Regulation: implementation procedure (amend. Regulation (Euratom, ECSC, EC) No 3418/93)		
Subject 8.70.02 Financial regulations		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	CONT Budgetary Control		17/11/2000
		PSE VAN HULTEN Michiel	
	Committee for opinion	Rapporteur for opinion	Appointed
Council of the European Union	BUDG Budgets		24/01/2001
		TDI DELL'ALBA Gianfranco	
	Council configuration	Meeting	Date
	Agriculture and Fisheries	2343	24/04/2001
European Commission	Commission DG	Commissioner	
	Budget		

Key events			
15/11/2000	Legislative proposal published	SEC(2000)1890	Summary
15/12/2000	Committee referral announced in Parliament		
26/04/2001	Vote in committee		Summary
26/04/2001	Committee report tabled for plenary, 1st reading/single reading	A5-0154/2001	
15/05/2001	Decision by Parliament	T5-0239/2001	Summary
15/05/2001	Act adopted by Council after consultation of Parliament		
15/05/2001	End of procedure in Parliament		
24/08/2001	Final act published in Official Journal		

Technical information	

Procedure reference	2000/0901(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	ECSC Treaty C 078n; Euratom Treaty A 183; EC Treaty (after Amsterdam) EC 279
Stage reached in procedure	Procedure completed
Committee dossier	CONT/5/13977

Documentation gateway

Legislative proposal		SEC(2000)1890	15/11/2000	EC	Summary
Economic and Social Committee: opinion, report		CES0057/2001 OJ C 123 25.04.2001, p. 0079	25/01/2001	ESC	
Committee report tabled for plenary, 1st reading/single reading		A5-0154/2001	26/04/2001	EP	
Text adopted by Parliament, 1st reading/single reading		T5-0239/2001 OJ C 034 07.02.2002, p. 0022-0084 E	15/05/2001	EP	Summary

Final act

[Regulation 2001/1687](#)
[OJ L 228 24.08.2001, p. 0008](#)

Financial Regulation: implementation procedure (amend. Regulation (Euratom, ECSC, EC) No 3418/93)

PURPOSE : to adopt a draft Commission Regulation (EURATOM, ECSC, EC) amending Commission Regulation 3418/93 laying down detailed rules for the implementation of certain provisions of the Financial Regulation of 21 December 1977. CONTENT : in accordance with Article 139 of the Financial Regulation, this draft will be adopted by the Commission in consultation with Parliament and the Council and after obtaining the opinion of the other institutions. As regards the substance, the reasons for the specific amendments can be summarised as follows: - provisions on the evaluation of projects and operations must be introduced to comply with the principles of sound financial management; - all references to the ecu need to be replaced by references to the euro; - the rate of the euro against all the currencies which the institutions use in the implementation of the budget should be determined by the Commission on the basis of the reference exchange rates published by the European Central Bank and not by the Commission's accounting officer; - the notion of "confusion or conflict of interests" in the context of budget implementation needs to be defined and the consequences of any such confusion or spelled out; - the transparency of subcontracted operations must be guaranteed; - a new provision on the validation of payments by the accounting officer should be introduced in view of the development of integrated computer systems; - the procedure for creating imprest accounts and appointing imprest administrators should be amended to give the authorising officer the power of initiative and the accounting officer the power of decision. Imprest administrators must be required to have specific qualifications appropriate to the function; - the principles governing the performance of internal auditing need to be set out; - a number of the provisions in Title VII (Commitment of expenditure) should be amended to ensure that legal commitments correspond to accounting commitments; - the provisions relating to contracts must be grouped together and rationalised to bring them into line with the Council directives; - to ensure that inventories give a true and fair view, the accounts must record changes in value by writing down the value of assets as necessary; - in accordance with the principle of prudence, the accounting officers must also constitute provisions for liabilities and charges; - the provisions to advances in respect of activities conducted by the JRC on behalf of third parties should be deleted since these advances no longer exist since the 1995 budget. The provision relating to the existence of the ACP-C-JRC should also be deleted. ?

Financial Regulation: implementation procedure (amend. Regulation (Euratom, ECSC, EC) No 3418/93)

The Commission has adopted the report by Michiel van Hulten (PSE, NL), which recommends changes to the Commission text. The amendments relate to the legal aspects of the procedures for implementing the Financial Regulation and propose, for example, the introduction of ex ante fraud-risk analysis of every initiative or programme proposed for funding from the EU budget, technical improvements and clarified definitions, such as a clear description of the duties of the internal reviser or a better definition of the conflicts of interest that might arise in the context of measures to implement the budget. The main proposed change relates to the increase in the threshold value for

compulsory submission of contracts to the Advisory Committee on Procurement and Contracts (ACPC). The parliamentary committee, wishing to recast the Financial Regulation which provides for the dissolution of the ACPS, recommends that the threshold be set at 200 000 euros rather than the 500 000 euros proposed by the Commission. It adds that the Commission and the Court of Auditors should undertake an evaluation of this threshold six months after the entry into force of the new implementation procedures. ?

Financial Regulation: implementation procedure (amend. Regulation (Euratom, ECSC, EC) No 3418/93)

The European Parliament endorsed, without debate, the report by Mr Michiel Van HULTEN (PES, NI) (by 474 for, 7 against and 10 abstentions) which lays down detailed rules for the implementation of certain provisions of the Financial Regulation of 21 December 1977. However, the text was subject to amendments which concern in particular the raising of the threshold for referral to the ACPC, this should be evaluated by the Internal Audit Service of the Commission and by the Court of Auditors six months after the entry into force of this Regulation. The Commission shall forward these reports to the European Parliament and the Council and shall propose any changes to the Financial Regulation or the implementing rules it considers necessary. Until the evaluation has been completed, the threshold shall be taken to be EUR 200 000. ?