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Rules for Implementing the Financial Regulation

***(Articles transitionally in force until 31 December 2019,
in accordance with new Financial Regulation of
5 September 2017)***

Amended by:

Decision of the Board of Governors of 2 – 4 December 2014 – Document 2014-10-D-21-en-2

Decision of the Board of Governors of 6 – 8 December 2011 – Document 2011-10-D-5-en-3

Decision of the Board of Governors of 12 – 14 April 2011 - Document 2011-02-D-26-en-2.

THE BOARD OF GOVERNORS OF THE EUROPEAN SCHOOLS

- Having regard to its decision of 24 October 2006 adopting the Financial Regulation applicable to the general budget of the European Schools, and in particular Article 104 thereof
- Having regard to the opinion of the Court of Auditors of 18 October 2006 on the Financial Regulation
- Whereas certain provisions of Articles 5, 7, 10, 19, 20, 23, 27, 28, 33, 34, 35, 38, 42, 43, 49, 50, 54, 55, 62, 66, 71, 72, 76 and 104 of the Financial Regulation of 24 October 2006 expressly provide for implementing rules

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- Whereas the introduction of the rules in question does not preclude the subsequent introduction of other implementing rules for which there is no formal provision in the Financial Regulation but whose desirability might become apparent thereafter,

HAS ADOPTED THESE REGULATIONS.

(.....)

TITLE III

DELEGATION OF POWERS AND BUDGET IMPLEMENTATION (Article 19 of the Financial Regulation)

Article 5

The acts whereby powers are delegated, in accordance with the provisions of Article 19 of the Financial Regulation, shall specify the members of the staff of the Schools and the Office who are authorized to sign instead of the delegant.

Reference shall be made in the acts to the provisions of the rules of procedure referred to in the first subparagraph of Article 19(9) of the Financial Regulation laying down the conditions in which powers may be delegated.

Article 6

These acts, accompanied by a specimen of the signature of the member of staff to whom powers have been delegated, shall be communicated to:

- the delegatee;
- the accounting officer of the School or the Office, who may not effect any payment authorized by non-empowered staff;
- the financial controller;
- authorising officers, solely in cases where powers have been delegated by the financial controller or the accounting officer.

The acts whereby the delegation of powers granted is terminated shall be communicated subject to the same terms.

Article 7

At all events, the act of delegation shall specify the limits within which delegates shall be authorized to draw up proposals for the establishment of debts and recovery orders, proposals for the commitment of expenditure and payment orders, the

numbers of the article and item covered by the delegation and, where appropriate, the period of delegation.

(.....)

Article 10

Keeping of supporting documents by authorising officers

The management systems and procedures concerning the keeping of original supporting documents shall be organised so as to ensure that they are kept in an orderly manner and to permit them to be located as necessary at any moment.

Such documents shall be kept for at least five years from the date on which the Board of Governors grants discharge for the budgetary year to which the documents relate.

Documents relating to operations not definitively closed shall be kept for longer than provided for in the second subparagraph, that is to say, until the end of the year following that in which the operations are closed.

Article 11

Code of professional standards

1. The staff designated by the authorising officer responsible to verify financial operations shall be chosen on the grounds of their knowledge, skills and particular qualifications as evidenced by diplomas or by appropriate professional experience, or after an appropriate training programme.

(.....)

3. The Office of the Secretary-General shall put in place the appropriate structures to distribute to authorising departments and update periodically appropriate information concerning the control standards and the methods and techniques available for that purpose.

(.....)

TITLE IV

RULES APPLICABLE TO THE FINANCIAL CONTROLLER, TO ASSISTANT FINANCIAL CONTROLLERS AND TO THE AUDITOR

(Article 20 of the Financial Regulation)

Article 13

Assistant financial controllers, appointed by the Board of Governors, shall report to their immediate superior, the financial controller, who shall determine the powers which he delegates to them. Within the scope of these delegated powers they shall take full responsibility for any approval which they grant.

Article 14

All the decisions pertaining to the delegation of powers granted by the financial controller or by assistant financial controllers shall comply with the provisions of Articles 5 to 7 above.

Article 15

In the performance of his monitoring duties the financial controller shall enjoy complete independence and shall be responsible only to the Board of Governors. He may not receive any instruction concerning the performance of the duties which, by his appointment, are assigned to him pursuant to the provisions of the Financial Regulation.

These provisions shall also apply to assistant financial controllers, within the limits of the powers delegated by the financial controller.

The Office of the Secretary-General shall make available to the financial controller the resources required for the proper performance of his function

Article 16

The financial controller may make reports to the Board of Governors at any time and on any subject with financial implications, with regard, in particular, to sound financial management.

Article 17

The financial controller and assistant financial controllers shall have access to all supporting and other documents pertaining to the expenditure and revenue to be monitored. They may carry out on-the-spot inspections.

Article 17 bis.

For the purposes of Article 20 of the Financial Regulation, the following may be

considered as "*exceptional circumstances*":

- (a) Before the validation by the financial controller of the internal control systems concerning segregation of duties put in place by the authorising officers, as defined in Article 19.6 of the Financial Regulation, has taken place;
- (b) In case of fraud or suspicion of fraud in one of the Schools or the Office of the Secretary-General;
- (c) For transactions above the threshold set in the Financial Regulation (.....) for low value contracts.
- (d) in case of adverse opinions or material weaknesses resulting from audits performed by the European Court of Auditors, assurance engagements undertaken by the internal audit (....), or financial control activity.

Article 18

The liability to disciplinary action and, where appropriate, to payment of compensation of the financial controller and assistant financial controllers in accordance with article 80 of the Financial Regulation may be decided only by the Board of Governors itself, subject to the conditions set out below.

The Board of Governors shall take a reasoned decision initiating an investigation. The person concerned shall be notified of this decision, as shall the financial controller if an assistant financial controller is involved. The Board of Governors shall assign the task of conducting the investigation to the Secretary-General. During the investigation, the person concerned and, if an assistant financial controller is involved, the financial controller must necessarily be heard.

The report on the investigation shall be communicated to the person concerned and, if an assistant financial controller is involved, to the financial controller. The person concerned shall subsequently be heard by the Board of Governors in connection with the report.

On the basis of the report and of the hearing, the Board of Governors shall take either a reasoned decision to discharge the person concerned, or a reasoned decision to take disciplinary action, ranging from a written warning to removal from post.

The person concerned shall be notified of the decision and it shall be communicated, for information purposes, to the Court of Auditors and, if an assistant financial controller is involved, to the financial controller.

(.....)

TITLE V

COLLECTION OF REVENUE
(Articles 27 and 28 of the Financial Regulation)

(.....)

Article 26

(.....)

3. On receipt of payment, (.....) the financial controller shall be informed by the accounting officer that the debt has been recovered.

(.....)

Article 27

(.....)

Before the end of the financial year the authorising officer shall submit to the financial controller any changes to the forward proposals, so that the latter may tally with the debts actually established.

(.....)

Article 30

The accounts shall be organized in such a way as to ensure that the financial controller is able at all times to check that proposals for the establishment of debts and recovery orders have been correctly registered and to perform his duties pursuant to Article 28(3) of the Financial Regulation.

Article 31

Any proposal that the right to recover an established debt be waived shall mention in particular the nature, the estimated amount involved, the budget item to which the revenue was to have been booked, the grounds for the proposed cancellation and the name and description of the debtor.

If the Administrative Board of the School or the Secretary-General for his Office decides to overrule the financial controller's decision to withhold his approval, the decision shall be forwarded to the authorising officer, who shall refer the waiver proposal, together with this decision, to the financial controller.

The waiver decision, together with the decision to overrule the refusal, shall be registered in accordance with the provisions (.....) of Article 27 (2) of the Financial Regulation.

(.....)

TITLE VIII

APPROVAL OF PROPOSALS FOR COMMITMENTS OF EXPENDITURE

(Article 35 of the Financial Regulation)

Article 37

Subject to the provisions of Article 38 below, and where the ex-ante control of the financial controller is applicable under paragraph 3 of Article 20 of the Financial Regulation, this approval shall be given by appending of the signature of the financial controller or of an assistant financial controller on the commitment proposal. The words "Approved by the financial controller" shall also be stamped thereon and the date of approval indicated.

Article 38

In an emergency, the approval as referred to in the previous Article may be given by note, telex, facsimile machine or any other means which unequivocally proves that the commitment proposal in question has been approved. Similarly, all "data processing" applications in the budgetary and financial fields will provide for access by the financial controller, to enable him to give his approval electronically.

Article 39

The approval given by the Authorising Officer, and by the financial controller where applicable under paragraph 3 of Article 20 of the Financial Regulation, shall be equivalent to a certificate for the purposes of all the points listed in Article 35(1)(a) to (d) of the Financial Regulation.

Article 40

If, pursuant to Article 36 of the Financial Regulation, the Administrative Board of the School or the Secretary-General for the Office has overruled a refusal by the financial controller to grant approval, where this approval is applicable under paragraph 3 of Article 20 of the Financial Regulation, the decision shall be forwarded to the authorising officer, who shall send the commitment proposal, together with the decision, back to the financial controller.

Article 41

If the financial controller deems inadequate or incomplete the supporting documents referred to in (.....) the Financial Regulation (.....), he shall defer his approval, where this approval is applicable under paragraph 3 of Article 20 of the Financial Regulation, and send the proposal back to the authorising officer, specifying the nature of the supporting documents requested.

(.....)

Done at Brussels, 24 October 2006

For the Board of Governors

The President