

## PROCEDURES REGARDING THE CONTROL OF THE EUROPEAN COMMUNITARY FUNDS

### PROCEDURI PRIVIND CONTROLUL FONDURILOR COMUNITARE EUROPENE

<sup>1</sup>BULIGA Z., <sup>2</sup>POPA C.

<sup>1</sup>University of Agricultural Sciences and Veterinary Medicine Iași

<sup>2</sup>SC Project Center, Tecuci

**Abstract.** *In order to make the European Union obtain a real legitimacy in its citizens' eyes, its politics must be effectively implemented and its resources have to be efficiently administrated.*

*The anticipation and the approval of the available incomes with the help of which the E.U. will be able to achieve its common politics and its afferent expenses is accomplished through the European budget. In 2007, the E.U. budget totals up 126,8 billion €, the significant weight of the expenses chapters being held by those having as a goal the increase of the cohesion and the competitiveness in the E.U. and those regarding the supporting of the agriculture and the rural development.*

*The establishment of the common politics and the theoretical allocation of some resources are not enough to achieve the suggested goals. What it takes is a control of the way that the European funds are administrated, because, although the capitalist culture is deeply established in most of the member states, there are always temptations and ingenious solutions to misappropriate the funds.*

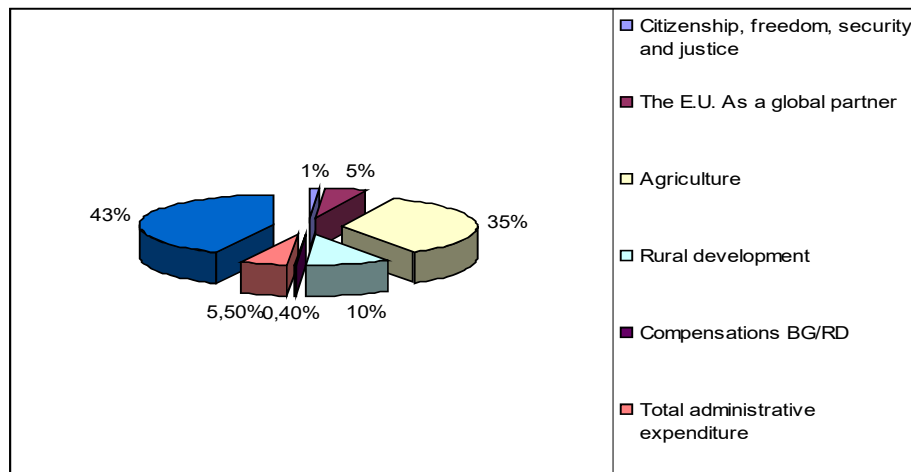
**Rezumat.** *Pentru ca Uniunea Europeană să capete o legitimitate adevărată în ochii cetățenilor săi, politicile sale trebuie să fie efectiv implementate iar resursele sale administrate eficient.*

*Anticiparea și aprobarea veniturilor disponibile cu ajutorul cărora U.E. își va putea realiza politicile comune și a cheltuielilor aferente acestora se realizează prin intermediul bugetului european. În anul 2007 bugetul U.E. se cifrează la 126,8 miliarde euro, ponderea semnificativă a capitolelor de cheltuieli fiind deținută de cele care au ca scop creșterea coeziunii și competitivității în spațiul U.E. și cele privind susținerea agriculturii și dezvoltării rurale.*

*Stabilirea politicilor comune și alocarea teoretică a unor resurse nu sunt suficiente pentru atingerea obiectivelor propuse. Este nevoie de un control al modului în care sunt gestionate fondurile europene pentru ca, deși cultura capitalistă are rădăcini adânci în majoritatea statelor membre, există totdeauna tentații de deturnare a fondurilor și soluții dintre cele mai ingenioase.*

In order to make the European Union acquire a real legitimacy in its citizens' eye, its politics must be effectively implemented and its resources efficiently managed.

The anticipation and the approval of the available incomes through which the European Union will be able to accomplish its common politics, and the afferent expenses is achieved through the European budget. In 2007 the E.U. budget totals up to 126,8 billion Euros, the significant weight of the expenses chapters being held by those having as a purpose the rise of the cohesion and the competition in the E.U. space and those concerning the support of the agriculture and the rural development.



The establishment of the common politics and the theoretical allocation of some resources are not enough to reach the established objectives. A control of the way that the European funds are managed is needed, because although the capitalist culture has its origins in most of the member states, there are always temptations to misappropriate the funds and some of the most ingenious solutions.

The institutions accredited to carry out the control of the European funds work for the member states and for the European Union. The most important institution with such prerogatives is the **Account Court of the European Union**.

The European Account Court is the newest institution of the European Union. It was set up of the German Member of Parliament, Dr. Heinrich Aigner's initiative (the president of the Budgetary Control Board) in 1975.

It was convened for the first time in constitutive meeting at Luxembourg, on 25<sup>th</sup> October 1977 and it acquired through the Maastricht Convention (1993) a status that is equivalent to the one established for the other communitary institutions.

The need to create this institution was determined by the important increase of the community finances volume, by the resources diversity and its expenses and by the complexity of the operations imposed by their management.

The European Account Court's mission is to provide the independent audit about the way that the European Union funds are formed and used and to assess the way that the European institutions accomplish their tasks.

The Court analyses if the financial operations are correctly registered, if they are carried out according to the legal specifications and if they are managed so that they can provide efficiency.

The Court presents the results of its activity by publishing relevant reports, objectives and opportunities.

Through its activity, the Court wants to contribute to the improvement of the financial management of the European Union funds at all levels so that it can assure the European Union citizens of the financial resources' best employment.

The European Account Court is a collegial structure, formed by a number of members equal to the number of European Union states (27), but they do not represent the origin states' interests.

The Court members are named by the European Union Board, after the consultation of the European Parliament, at the proposal of each member state. The naming is made for 6 years. Their mandate can be renewed. The members choose among them a president for a period of 3 years, having the possibility to renew the mandate.

The Court's president is at this moment the Austrian HUBERT WEBER, and at Romania's proposal, OVIDIU ISPIR was named a Court member, having the position of Consultant of Romania Account Court.

The Court's staff must give proof of honesty and integrity in their activity and in using the Court's resources. Their actions must not be influenced, under any circumstances, as a result of some pressures or personal or financial interests. The Court adopted "*The Code of the good administrative behavior of the European Union Account Court staff*".

The Account Court's members are organized in *audit groups*. They deal with the audit of some domains of activity, placed in 4 groups. Besides the audit groups, the Court also has other internal structures to coordinate the activity, realize and translate the activity reports, secretaryship activities so that it can assure the audit's and the staff's training quality etc.

In order for the audit activities to take place, the Court's auditors use an audit handbook. The audit handbook describes the procedures that must be followed while planning and executing the audit activities, while drawing up the reports, so that these different stages of the activity can be executed according to Court's politics and audit standards (PSAC).

The Court plans its work program for one and more years. The program for more years allows the defining and the bringing up to date of the Court's strategy, and the program for one year establishes the specific missions which will be accomplished during that year.

At the beginning of each year, the president of the European Account Court exhibits the yearly work program to the Budgetary Control Committee from the European Parliament.

The priority audit missions are established in the work program and the necessary resources are assigned.

As the Court cannot control every year the activity of all the persons that gain from or manage European Funds and according to the conventions it has the obligation to check every year only some of the aspects concerning the Union budget execution, it selects some domains of interest and institutions or persons that will be selectively controlled.

The determination of the audit subjects is based on risk analyses, the fears of the public opinion regarding certain problems, critical aspects from previous assessments etc.

The audit activity takes place most of the time at the institutions' residences which are the subject of the control activity, where the relevant documents and the staff can be examined. The meetings take place at the residence, in Luxembourg.

The Court has 760 employees (specialists in different fields). Depending on the circumstances, they appeal to other specialists who are paid for their services.

The whole audit activity has a solemn character, all the stages that are covered during the control activity being materialized in documents. Thus, planning the control activity supposes drawing up an Audit Planning General Memorandum and an Audit Program, both in written form. In the properly audit activity, the auditor determines the legacy and the regularity of the financial operations, as well as the good functioning of the accounts according to the gathered evidence.

Concerning the audit probation, there is a preference order in managing and assessing the evidence: written evidence, evidence that the auditor has gathered directly, evidence from third persons.

Another activity of the Court is represented by its meetings. In these meetings they draw conclusions concerning the controlled aspects and they make decisions regarding the content of the documents that will be published and which represent the official position of the Court with regard to the audit object. The meetings can be ordinary or extraordinary and they are secret. They are usually led by the president.

The result of the Court's activity is materialized in official documents like: reports, opinions, suggestions and assurance statements.

*The reports* are represented by some conclusions regarding the activity and the audited person and they are made up at the end of the control activity or periodically (for example, the yearly report).

*The opinions* are expressed following up some solicitations from other European institutions, especially concerning normative documents problems and projects, having a financial impact and those for the fraud control.

The suggestions are the Court's proposals, which come off its activity and which take into consideration the enhancement of the European funds management system.

*The assurance statement* is a document through which the European Committee is "released" from its executive tasks which have been given by the European Parliament at the same time with the approval of the budget, thus being certified that it accomplished its executive obligations.

The European Union Account Court has an independent character in comparison with the other European institutions.

This means that: the right to establish its procedure rules, to select the domain and the subjects of the audit, to establish the necessary resources and the time needed to perform it etc.

Its budget represents 0,1% from the amount of the community expenses or 1,6% from the amount of the administrative expenses of the E.U. The Court cooperates with the other community institutions and with those from the member states in order to achieve its objectives.

## CONCLUSIONS

The Court has very strict rules concerning the fast answers that the employees are determined to give to those who are interested in its activity. The tone of the telephonic conversations, the velocity of the answers to the electronic messages or the received letters, the language employed in their drawing up are very thoroughly established in the civic respect spirit. The Court does not have to answer to problems that are not related to its activity or to offer confidential information, but in those cases there will be specified the institutions that have the necessary competence to give an answer and the justification of the confidential character of the information requested by the public.

The Account Court does not have jurisdictional prerogatives.

If the auditors discover certain disorders, including fraud, the community competent organisms are quickly informed, so that they can do what it takes.

However, the Court has a process quality, which is active and passive at the same time, and it means that it can sue if they prove that they defend a legitimate interest and it can be sued if, by its activity, a person or an institution has been damaged.

## REFERENCES

1. **Bostan I. 2004** - *Controlul financiar contabil și auditul intern la instituțiile publice*. Editura Sedcom Libris.
2. [www.rcc.ro](http://www.rcc.ro)