

The European Court of Auditors: interviews (2004)

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Cooperation

[Sir John Bourn, Head of the UK National Audit Office] We facilitate the audit. We provide advice as to where they can obtain the records that they need, the individuals that they need to interview. We seek to facilitate their work, and we will also have the right to join in their work because we're interested in working with the Court. We have done a number of studies jointly with them and with other countries. So we see ourselves as collaborators and cooperators in the whole business of public-sector audit in Europe.

[Norbert Hauser, Vice-President of the Federal German Court of Auditors] We have realised that the economy, culture and international politics can no longer operate at national level. For the same reason, external audits can no longer operate at national level. This means that we must cooperate, for better or for worse, but this is something positive. The public realises that institutions exist that work independently and that are concerned about what happens to their money. The governments are actually trustees of the money that individuals work hard for and pay in taxes.

[Juan Manuel Fabra Vallés, President of the European Court of Auditors] If we were to withdraw into ourselves, there would be no communication, there would be no way of monitoring the use of this money, the hundred billion in the Community budget. However, there is a history of maintaining contact with each of the national Audit Boards and with the various Audit Offices that exist at regional level as well. Therefore, all that we would need in order to work more efficiently would be to do more joint audits, in other words, not just bring a country's nationals here and explain to them how an audit is done.

[Michaele Schreyer, Member of the European Commission] The cooperation between the European Court of Auditors and the Anti-Fraud Office, I think it functions very well. That in the case the European Court of Auditors has an indication that there is fraud, then they give the information to OLAF and ask OLAF to make an investigation. And, of course, also the other way round: when OLAF has checked and examined allegations of fraud but found it is a systematic problem, so not an individual fraud case, but a systematic problem, for example, on the regulation in a specific policy area, then they can give their information and assessment to the European Court of Auditors.

Audit Mandate

[Chrystalla Georghadji, President of the Audit Office of the Republic of Cyprus] The mandates of the two institutions are very similar. We both conduct financial management audits, as well as performance audits, to make sure that funds are used in the most economic, efficient and appropriate way. Therefore, I would say that the mandate is similar; however, the scope is different, because ECA audits all EU funds within a larger geographical area, whereas Cyprus, as all, of course, national audit offices, they audit all institutions in their country, not only the European funds, but the funds of the budget.

[François Logerot, First President of the French Court of Auditors] The role that public auditing institutions play is quite different to that of auditors in the private sector, since they deal with commercial companies. The former are authorised not only to audit accounts but also to make recommendations concerning management. Clearly, they do not hold judicial powers. They cannot order the public institutions that they audit to follow their recommendations. However, the relevance and resolve of their recommendations are a means to ensure that these are taken into account.

[Diemut Theato, Member of the European Parliament] The term 'discharge' is used in the sense that the European Commission is given 'discharge' in respect of its responsibility for the management of the budget. The European Parliament is the discharge authority. The data that we need for this purpose, as we said previously, is provided by the European Court of Auditors in the annual report and in the special reports published during the year. We then spend many weeks in the Committee on Budgetary Control working on this report, on hearings of the members of the European Court of Auditors and, in particular, on hearings of the Commissioners in order then to come to a decision that we recommend in the plenary sitting of the

European Parliament. A plenary vote then takes place.

[Sir John Bourn, Head of the UK National Audit Office] The external auditor is not a policeman, and he's not a detective, but we deal with it, of course, as the duty and responsibilities of auditors in the United Kingdom is that we seek to plan our audit of the bodies for which we are responsible in ways that would give us the best possible chance of detecting fraud, if it exists. And, of course, where we *do* have evidence of fraud, or the possibility of fraud, we arrange for that to be passed to the police for investigation.

[Vojko Anton Antončič, Former President of the Slovenian Court of Auditors] We are often expected by the public to do, one may say, more with respect to the fight against fraud and corruption. However, we can deal with fraud and corruption as auditors, because we don't have judicial powers, so prosecution and so on is beyond our audit powers.

Confidence

[Arpad Kovacs, President of the Hungarian State Audit Office] I think that the audit institution is a defender of the taxpayers' money. It is a very important part of the trust, the common European feeling. It's a very important part of the trust in the common future. And trust, I think, in Europe, is a most important factor in the future work.

[Saskia Stuiveling, President of the Dutch Court of Auditors] We lay more emphasis on the effectiveness of the money spent. That's a question that most of the time in the private sector they don't have as a question in front of them as auditors. They have regularity, and you can trust a company by its signature of the auditor, but it doesn't say that it was effective spending. And public money is about effective spending. It's not about spending the money, it's about what the programmes bring to the people. And that is what you want to secure and be able to convey to the public: that this government is doing a good job in getting effects in society with the money we all give them to spend.

[Henrik Otbo, President of the Danish Court of Auditors] Independence is extremely important. That is, in the end, what creates trustworthiness: that the taxpayer is confident that someone independent is looking at the system and is speaking out their mind, publishing the report which should be published. And that goes for the European Court of Auditors, as for the national courts of auditors. And the Danish taxpayer regards the European Court of Auditors in the same way. When their report is published, the media will focus on the main point of criticism from the Court's report, and they will have the same attitude towards it: they are pleased with the fact that someone independent is, in the end, overseeing and controlling the systems.

[Diemut Theato, Member of the European Parliament] The European Court of Auditors is evaluated by an external audit and accounting firm. However, this means that, and this is an exceptional circumstance, there is just one evaluation. We do not have our own Court of Auditors Report on the Court of Auditors. The custom of producing a list of written questions — even awkward ones — has proved successful, because the European Court of Auditors has been obliged to clarify matters and, maybe, even to answer one or two awkward questions.

Impact & Effectiveness

[Saskia Stuiveling, President of the Dutch Court of Auditors] The total impact of all the audit work is that we exist and that we treasure good governance and that we bring the responsible people to realise that they also have to work on good governance.

[Francesco Staderini, President of the Italian Court of Auditors] Its main strength lies in the importance of the work that is undertaken, in the credibility of that work, in the influence that, through its work, it is able to inspire, and then, in the resulting changes, in the working practices, in the working methods of the Commission, and therefore, in the implementation of any reform that improves efficiency.

[Juan Manuel Fabra Vallés, President of the European Court of Auditors] Any organisation that, like us,

began in 1978, means that it has enough knowledge, enough experience, of the problems that are encountered on a daily basis. So, this experience that we have been able to acquire since the first report in 1978, plus knowledge of the problems, is what has allowed us, since then, talking about *know-how*, to be able to offer assistance when it comes to financial management.

[Michele Schreyer, Member of the European Commission] The European Court of Auditors — it has the task to check and examine the accounts and also the underlying transactions, the expenditure and the revenue. And the European Court of Auditors, they publish annually a report, but they make also specific reports. And these are not only critics but there are also recommendations, so the work of the European Court of Auditors is a critical, constructive one, and it is really crucial for the sound financial management of the Community budget.

[Vojko Anton Antončič, Former President of the Slovenian Court of Auditors] I consider the supreme audit institution as one of the fundamental pillars of the modern democratic arrangement.