



# GUIDE TO OUR METHODOLOGY



This document summarises our methodology for carrying out our audits and other professional tasks. It presents key principles, processes and methods, and includes links to our online guidance platform “AWARE” (in English) where you can find more detailed information.

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# Introduction

## What we do and who we are

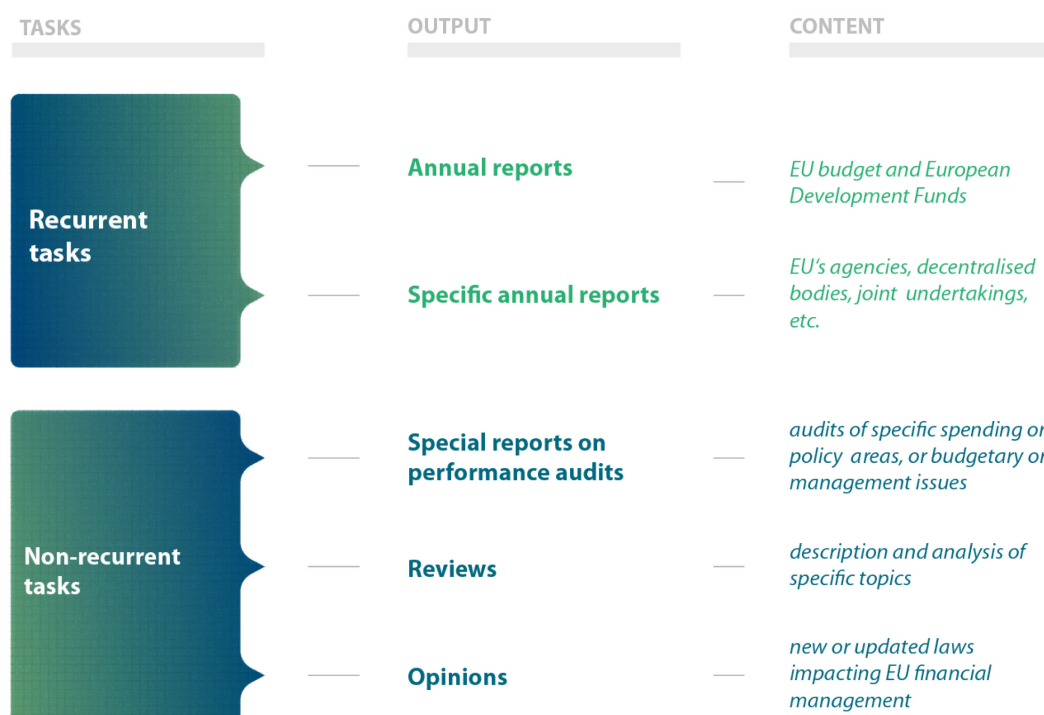
**01** The European Court Auditors (ECA) is an institution of the European Union (EU) and the external auditor of the EU's finances. We act as the independent guardian of the financial interests of EU citizens by checking and assessing the financial management of the EU budget. Our main auditees are the European Commission and other EU bodies, but we also audit the collection and spending of EU funds in member states and countries outside the EU ('third countries').

**02** Every year we carry out audits required under the [Treaty on the Functioning of the European Union \(TFEU\)](#). These '**recurrent**' audits have financial and compliance audit objectives and cover the reliability of the EU's annual financial statements and the legality and regularity of the transactions underlying them. We publish our findings, conclusions and an audit opinion (or 'statement of assurance') on whether:

- o the financial statements provide a true and fair view; and
- o the transactions underlying them are legal and regular.

**03** The rest of the professional work we do under the TFEU takes different forms. We audit the sound financial management of revenue or spending in areas of EU policy which we select in order to maximise our impact – our **non-recurrent tasks**. These are generally **performance audits**, but can also address compliance objectives. We report on performance audits in special reports. We also prepare **reviews**, which are descriptive and informative analyses of areas of EU policy or management. We provide our views on new or updated laws with a significant impact on EU financial management or related aspects in **opinions**. [Figure 1](#) summarises our outputs.

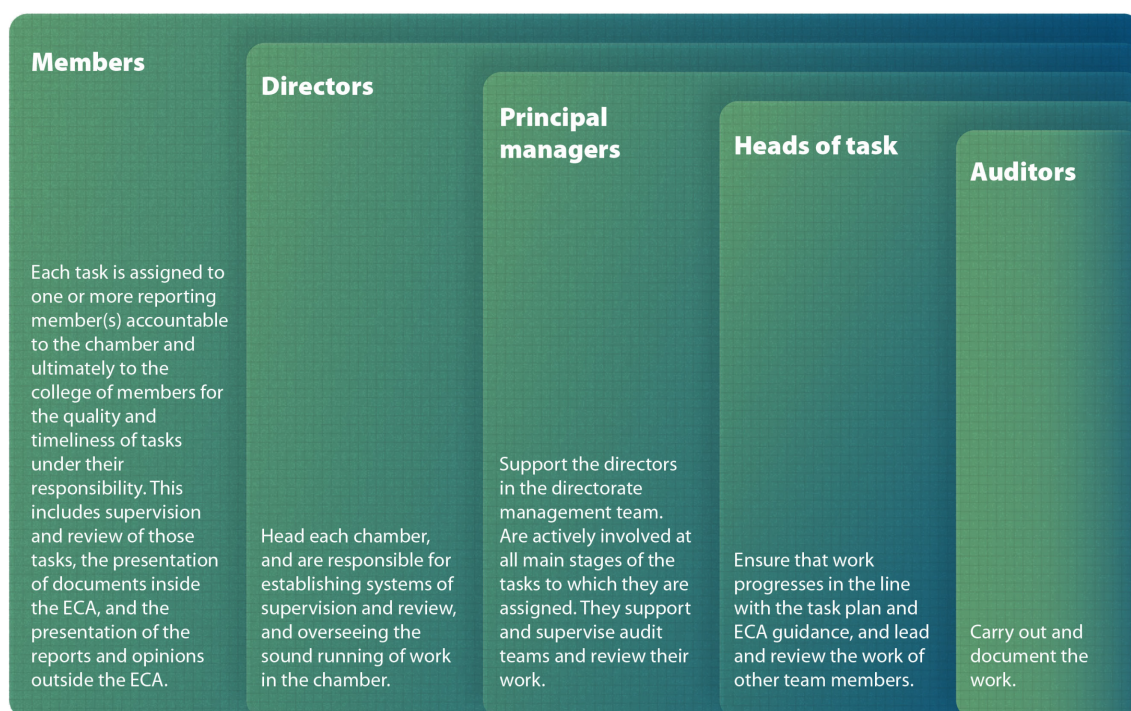
Figure 1 – Our outputs



**04** We take account of the special characteristics of the EU budget when undertaking our work. Around 80 % of the budget is managed by the Commission and member states together, meaning that the Commission makes payments to individual EU countries which distribute funds and manage expenditure. Our audits involve several administrative levels (e.g. the Commission, member state, regional authority, and final recipient), complex and varying national rules putting EU law into practice, and many different systems for implementing the policies and actions funded.

**05** The ECA operates as a collegial body of 27 members, one from each member state. The college of members takes decisions on important strategic and administrative matters and approves the annual report. Responsibility for most other audit work is delegated to five operational chambers, each comprising around five members supported by a director and to which staff are assigned. The chambers approve special reports, reviews and other output on behalf of the college. [Figure 2](#) describes roles and responsibilities in the audit process.

**Figure 2 – Roles and responsibilities in the audit process**



## Our methodology

**06** Our methodology is based on [IFAC](#) and [INTOSAI International Auditing Standards and Code of Ethics](#), adapted to the specific EU context. Since 2021, our methodology has been available online on a platform called [AWARE](#) (Accessible Web-based Audit Resource for the ECA). AWARE sets out the principles we follow in our work, and provides guidance on how to apply them in practice. It covers the audit process (planning, examination, reporting) and distinguishes between the different types of audit objective – compliance, financial, performance.

**07** This summary of ECA methodology has five sections that cover: principles and procedures; the Statement of Assurance; performance audits; opinions; and review reports.

**08** Throughout this document we provide links to further information in [AWARE](#), which is available to the public in English via our website ([eca.europa.eu](https://eca.europa.eu)).

# Principles and procedures

## Communicating with auditees

**09** We **communicate** with our auditees as necessary to obtain sufficient information on the area we are examining, to inform them about the planned task and to receive their feedback. This is part of our ‘no surprises’ approach, which involves open, respectful and professional dialogue over the life of the task. It starts very early in the process when we are planning the audit, and continues throughout. We inform the auditee of the audit questions, criteria and methodology in order to give them the opportunity to react. We take account of their response but, as independent auditors, the final decision rests with us.

**10** We update the auditee regarding developments, including planned audit visits, as the task progresses. The aim of the approach is that at the end of the audit process nothing in our draft reports comes as a surprise to the auditee; and nothing in the auditee’s draft replies come as a surprise to us. By communicating well, we build trust in our work, increase cooperation, and ultimately enhance the impact of our work as our findings and recommendations are more likely to be acted upon.

## Audit planning

**11** A key element of the planning phase is the preparation by the audit team of a task plan, which serves as a basis for decision-making by the chamber for the audit or other task to go ahead. Once approved, it represents the commitment by the reporting member to the chamber to deliver the task in accordance with our methodology, within the deadlines it establishes, and using the resources made available for the task. The approved task plan then guides the team in carrying out the task. The **task plan** includes:

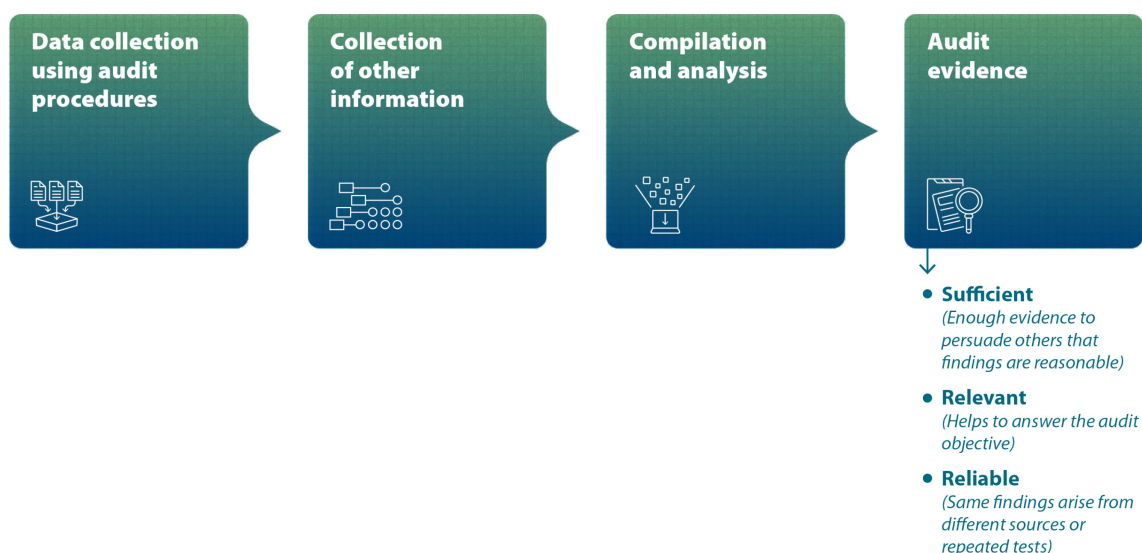
- description of the audit area and reasons for the audit;
- audit questions and scope;
- audit approach (the criteria, types and sources of evidence and the audit procedures);
- likely outcome of the audit and potential impacts;
- resources and timetable; and
- risks to delivery within time and budget.

## Gathering evidence

**12** When carrying out audits, we gather **evidence** in order to answer the audit questions. We assess the evidence we find against the audit criteria, and on this basis develop audit findings and conclusions.

We use diverse sources of evidence to help ensure it is sufficient and persuasive, and we check its accuracy as the audit progresses. Audit evidence provides a higher degree of confidence when items of evidence from different sources, or of a different nature, support each other. See [Figure 3](#).

**Figure 3 – Audit evidence and how we obtain and process it**



**13** Examples of audit procedures include: inspection, observation, interview, data analysis and surveys. The audit team judges which method (or mix of methods) for obtaining evidence will be suitable for the particular audit objective, and takes account of cost effectiveness. The team also ensures they have sufficient skills in designing and applying the methods, and calls on additional internal and external expertise when necessary. The internal expertise that our auditors can request includes linguistic assistance as well as help on surveys, data science and IT audit.

**14** On-the-spot visits are an important element of our audit procedures. We carry out on-the-spot visits to the Commission, EU bodies, member states, other beneficiary countries, or other organisations having a role in managing EU money. During these visits, we gain evidence on how they exercise their specific responsibilities in managing EU funds or policies, observe the procedures in place and examine individual items of income or expenditure, such as projects that receive EU grants.

**15** The work of [other auditors](#) or [external experts](#) can provide us with a part of our audit evidence, providing certain conditions are met. For example, we use external experts when knowledge or skills are not available within the ECA, or to perform technical work when they can do so more efficiently. When using the work of others, we ensure that it is sufficient, relevant, reliable and cost-effective.

**16** When evaluating audit evidence for sufficiency, reliability and relevance, we do not set precise guidelines to measure the degree of proof required. Instead we rely on the professional judgement of the audit team.

## Documenting our work

**17** We document our work, in line with international auditing standards, as a complete and reliable record of the task: the work done, evidence obtained, findings produced and conclusions reached. Detailed [documentation](#) serves as the basis for supervision and quality reviews as the task progresses, as well as quality assurance and other quality-related monitoring after the task has been completed.

**18** We use an IT-based documentation tool (Assyst) to record our work, which includes a facility allowing us to cross-reference the findings to the evidence. We apply data protection and confidentiality to audit documentation. As a rule, we keep audit documentation obtained in accordance with our [rights of access](#) for at least seven years from the date of the audit.

## Clearing

**19** To ensure that our findings are factually correct and the analysis informed and balanced, we communicate them to the respective auditee(s) for feedback. The purpose of clearing is to give the opportunity to those responsible for the areas under audit to check and respond to the observations, conclusions and recommendations we plan to publish.

**20** We analyse the responses of the auditee(s) and communicate this analysis to them, including our final position accompanied by an explanation. In particular, we explain the reasons for not accepting the auditee's arguments when this is the case.

**21** The members exchange views on the draft report circulated by the reporting member, both in preparation for, and during the chamber or college meeting as

appropriate. When the members are satisfied with the quality of the draft report they approve it. The approved draft is then sent officially to the auditee(s) for formal discussion on the text – the adversarial procedure.

## Adversarial and finalisation

**22** The ‘adversarial procedure’ gives the EU bodies responsible for the audited area the opportunity to comment on draft reports formally, and prepare a reply, before we finalise and publish them. This is distinct from the clearing process described above, which is done at working level and focuses on clearing the detail in, and the evidence underlying, the draft report.

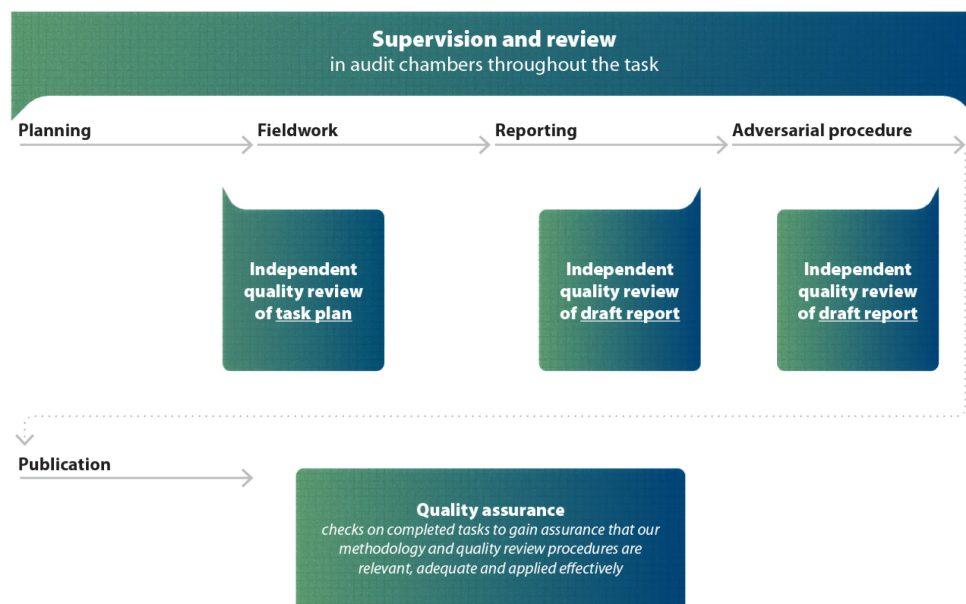
**23** The adversarial procedure consists of written exchanges and meetings. The auditee(s) reply to the observations, conclusions and recommendations in the draft report and we decide to what extent we need to update the text of the report in order to take into account and accommodate the comments they make. We also communicate to the auditee our views on their draft replies. The adversarial procedure includes a final meeting with each auditee to discuss the texts in the draft report and auditee replies.

**24** After the adversarial procedure is completed and the draft report updated accordingly, the members approve the final draft report for publication together with the auditee replies. After final quality checks the report is published in all official EU languages, together with the auditees’ replies, on our website. On request, we present the published report to the European Parliament's Budgetary Control Committee, and to other specialised committees of the Parliament. We can also present it to the Council, national parliaments and the press.

## Quality management system

**25** We have established a [quality management system](#) to provide us with reasonable assurance that we fulfil our responsibilities and conduct our work in accordance with professional standards and applicable requirements, and that the reports and opinions we issue are of high quality. This system – which itself meets international standards – includes quality management arrangements before finalising the task through supervision, review and independent quality review, and through quality assurance checks after completing the task ([Figure 4](#)). We support our quality management system through guidance, training and the development of methodology.

Figure 4 – Quality management system



**26** We document our quality management procedures in a way that allows anyone in our institution to understand the nature, timing and extent of the checks done, the conclusions drawn, and the way in which the matters raised were resolved.

### Supervision and review

**27** We subject all our work to [supervision and review](#). This involve overseeing and checking work done, and documents prepared, throughout the task from the planning phase until the reporting phase.

**28** **Supervision** comprises overseeing the work of staff assigned to the task, in order to ensure that the work is performed as intended and the objectives of the task are achieved. It includes ensuring the team has suitable capabilities and competencies, and sufficient time to carry out the work; it also covers providing guidance and advice, as well as monitoring progress of the task. Effective supervision allows timely corrective action to be taken when the work is not of the required quality, or risks not being completed within the timetable set and with the resources allocated.

**29** **Review** includes considering whether the work has been performed in accordance with our guidance and procedures and any other requirements. It involves reflection on

whether the work is sufficient and supports conclusions, the objectives of the task have been achieved and whether the work is appropriately documented. Task plans and reports go through several reviews. Reviewers have discretion in how they decide to carry out their review in practice, as our guidance establishes minimum checks on task plans and reports only. [Figure 5](#) describes responsibilities in the supervision and review process.

**Figure 5 – Responsibilities in supervision and review**



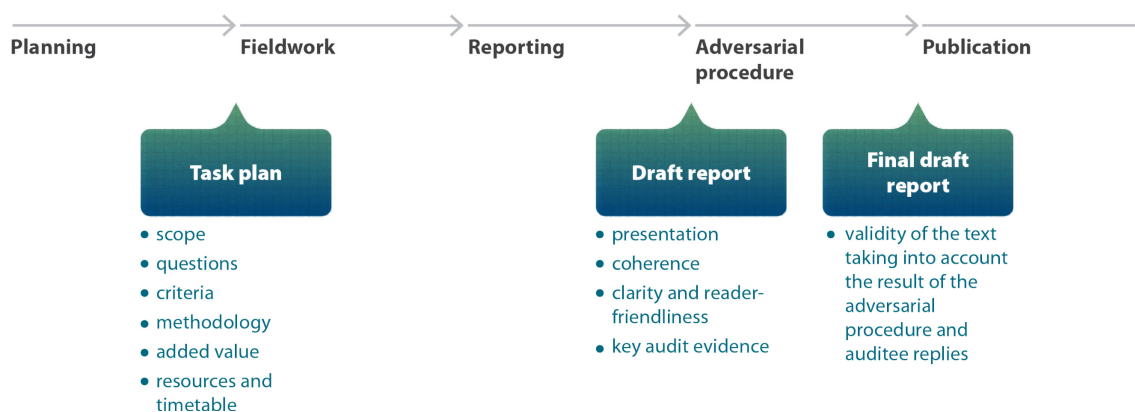
## Independent quality review

**30** [Independent quality review](#) consists of checks on presentation, and an objective assessment of key elements underlying audit evidence for audits and key elements underlying facts and analysis for reviews and opinions, including the way significant judgements were made and conclusions reached. It adds to the assurance provided to the chamber and the college on the quality of the document. Staff carrying out independent quality review have no previous involvement in the task and are free of other considerations that may compromise their objectivity. If the review cannot be completed, or there remain unresolved issues, this is brought to the attention of the chamber.

**31** The independent quality reviewer is generally a member of an [Audit Quality Control Committee](#), who receives the support of a Directorate for Audit Quality Control. The member responsible for the annual report, supported by the chamber V quality review team, has the main responsibility for carrying out the independent quality review of the annual report.

**32** Independent quality review is undertaken once the chamber's own checks have been completed, on documents that the director and reporting member consider to be ready for presentation to the chamber for approval. It takes place at three stages of the life cycle of a task as shown in [Figure 6](#).

**Figure 6 – Independent quality review checks**



**33** The independent quality review is fully documented, including how the matters raised by the review were resolved.

## Quality assurance

**34** We undertake [quality assurance](#) tasks to provide us with independent assurance that our methodology and quality review procedures are relevant, adequate and have been applied effectively. Our quality assurance work follows a systems-based approach by examining the implementation of specific processes and procedures through a sample of completed audit and review tasks, rather than examining individual tasks.

**35** We decide which quality assurance topics to cover every year based on risk, and focus on areas where the impact will be greatest. Staff of the Directorate for Audit Quality Control carries out the individual quality assurance tasks and the chair of the Audit Quality Control Committee supervises them. Examples of quality assurance topics include how we use external expertise, what we use as audit evidence and the quality of our recommendations.

**36** Quality assurance tasks generally include an assessment of whether our guidance reflects appropriately international auditing standards and any other requirements, and whether it is applied as intended. Findings from quality assurance work are discussed with the relevant chamber(s) prior to the draft report being finalised. Any weaknesses or examples of good practice identified lead to recommendations, notably on how to further develop our guidance and its application.

## Financial and compliance audits

**37** We are required to audit every year the reliability of the consolidated annual financial statements of the EU general budget ([financial audit](#)) and the legality and regularity of the transactions underlying them, i.e. whether they comply with EU legislation in all material respects ([compliance audit](#)). We report the results of this work and express our audit opinion (statement of assurance) in annual reports to the discharge authority (the European Parliament and the Council) and other stakeholders.

### Statement of Assurance

**38** We form our audit opinion ([statement of assurance](#)), based on a structured financial and compliance audit approach, in order to conclude on the extent to which:

- o the annual accounts (financial statements) of the auditee present fairly, in all material respects, the financial position, operations, cash flows and the changes in the net assets, and were prepared in accordance with the applicable financial reporting framework ('reliability of accounts'); and
- o the underlying transactions comply in all material respects with the applicable laws and regulations ('legality and regularity of underlying transactions').

**39** We complement our audit opinion on the general EU budget with [specific assessments](#) for major areas of EU activities, including now the Recovery and Resilience Facility (RRF), also published in the annual report. They provide detailed audit results and conclusions on underlying transactions and systems aspects in those areas, which allows for more informed decision-making by the budgetary authority. We also present the results of our follow-up work on the previous year's findings.

**40** As well as providing a statement of assurance on the consolidated financial statements of the EU general budget, we report on other financial statements such as the accounts of the European Development Funds, EU agencies, joint undertakings and

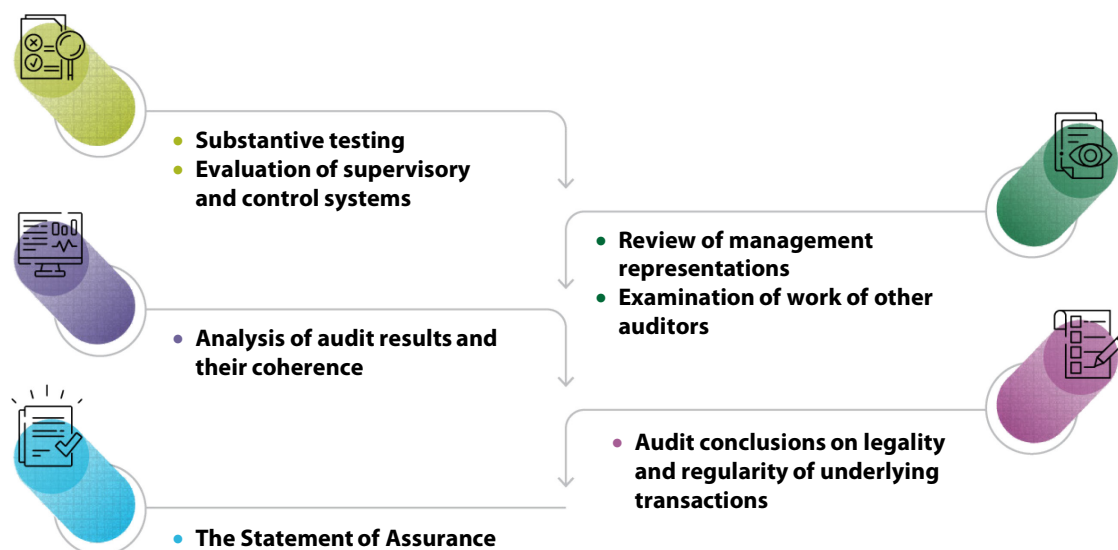
similar bodies. In each case we publish an annual statement of assurance, and supporting observations.

## Audit approach

**41** We design our audit approach in order to provide reasonable assurance to the intended users. We follow internationally-recognised **financial audit** methodology when auditing the reliability of the accounts. For example, in order to arrive at our opinion we check the functioning of key accounting procedures, analyse and reconcile accounts and balances and perform substantive tests against source evidence of commitments, payments and specific balance sheet items.

**42** To assess whether the transactions underlying the accounts comply with EU and other applicable rules and regulations, we rely mainly on direct testing of compliance for a random, statistically representative sample of transactions. The purpose is to obtain direct audit evidence on each transaction in the sample and to calculate statistical estimates of the extent to which revenue and the various spending areas are legal and regular, or affected by error. **Figure 7** summarises our approach for auditing the legality and regularity of transactions underlying the accounts.

**Figure 7 – Approach to auditing legality and regularity of underlying transactions**



**43** We use an **assurance model** to plan our work and evaluate the results. The assurance model builds on **risk assessment** and takes account of how much assurance can be derived from the supervisory and control systems. Depending on the result, we

define minimum sample sizes per EU revenue and expenditure areas. Before setting the final sample sizes, we also take account of the size of the population under audit, and audit resources available.

**44** After defining the sample size, we use statistical methods to select the number of individual transactions for detailed checking. **Transactions** are transfers of funds from the EU budget to final recipients, or transfers of revenue from member states to the EU budget. The statistical approach we use is **monetary unit sampling**. This allows us to complete and present our work efficiently using a representative sample.

**45** We apply **audit procedures** in order to produce the required results efficiently and with a sufficient level of precision and reliability. These procedures involve a mix of analytical techniques, inspection, observation, inquiry, and recalculation. We use them to assess **control systems** and perform **substantive testing** of transactions.

**46** When building our audit evidence we consider whether we can make use of the checks performed by **other auditors** in order to increase the efficiency of our audit process. If we want to use these results we first assess the independence and competence of the other auditors, and the scope and adequacy of their work.

**47** We also review management representations, such as the Commission's annual activity reports and annual management and performance report. We analyse whether the information they contain appears reasonable and is consistent with our own findings.

**48** Once we have finalised our detailed audit testing, we assess whether the auditee(s) had already detected any errors we found, and the response including remedial action they had taken to address them. We exclude from our calculation those errors detected and corrected prior to, and independent of, our checks, since this demonstrates that the control systems have worked effectively. We then use the sampling model to produce a statistically-based estimated error rate in the population concerned. **Figure 8** gives examples of errors we detect.

Figure 8 – Examples of errors



**49** We use results of tests of transactions, and other work, to establish the extent to which the financial statements and the transactions underlying them are free from material error. Where we find a material level of error we determine its impact on the audit opinion, in particular whether the errors (or an absence of persuasive audit evidence on individual transactions) are likely to be ‘pervasive’ across the population. Taking all this into account we reach a conclusion regarding our Statement of Assurance, expressed as either an **unmodified** (‘clean’) or a **modified** opinion. We complement our opinion with analytical information on EU financial management.

**50** Our published annual reports, containing the Statements of Assurance, provide independent and objective analytical information to inform the discharge procedure. In this procedure the European Parliament decides, after a recommendation by the Council, on whether it approves the way the Commission (or other EU institutions or bodies) has implemented the EU budget in a given year.

# Performance audits

**51** Our performance audits are an independent, objective and reliable examination of whether operations and programmes are operating in accordance with the principles of [economy](#), [efficiency](#) and [effectiveness](#). [Figure 9](#) sets out the different steps of performance audits.

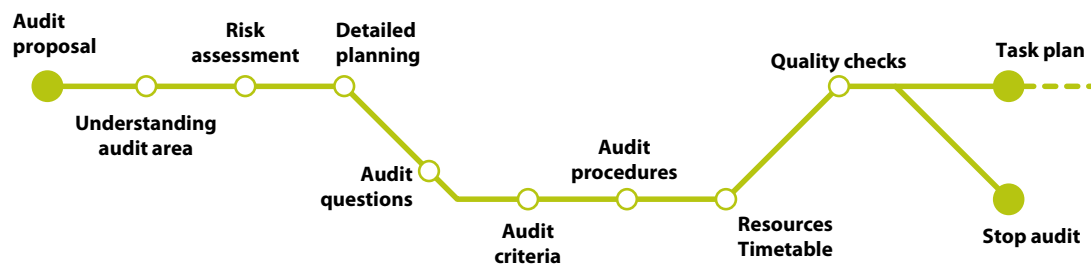
**Figure 9 – The audit process for performance**



## Selecting topics

**52** We decide our multiannual [strategic priorities](#) on the basis of an assessment of risks, an analysis of trends and input from our institutional stakeholders and auditees. Our goal is to target the areas and topics where we can add most value and secure the biggest impact with our work.

**53** Our annual programming exercise determines the performance audit and review tasks that will start during a given year based on our strategy and priorities. We scan policy areas and collect audit ideas from the staff and stakeholders (notably the European Parliament and the Council of the EU). When deciding which performance audits to do, we prepare a number of [audit proposals](#) to serve as a basis for the college of members to decide on those that should be included in the [work programme](#).



Source: AWARE.

**54** Each task is planned in **detail**. During the planning phase, we gain further knowledge of the topic and auditee to assess risks, define audit objectives, scope and approach as well as consider resources required. **Understanding the audit area** involves reviewing the knowledge we already possess on a policy area, or a much larger data-gathering exercise when the topic is new or complex. We obtain an understanding of the policy objectives, key management and control processes, and responsibilities of main actors. We take into account the management arrangements. The outcome of the planning is set out in the task plan (see paragraph **11**).

## Assessing the risks

**55** We identify and analyse the key risks to achieving **economy**, **efficiency** and **effectiveness**, and/or to complying with the legal and regulatory framework. Our **risk assessment** depends largely on the judgement of the audit team, and their knowledge, analysis and experience. We include examples and practical tools in our guidance to help auditors identify and assess the most significant risks.

**56** We analyse **fraud** risks as part of the risk assessment and consider fraud throughout the audit process. If suspicion of fraudulent activity arises during the audit, we forward it to the European Anti-Fraud Office (OLAF) or the European Public Prosecutor's Office (EPPO) as appropriate.

## Defining objectives, scope and approach

**57** We set out the **audit objective** in the form of an evaluative question that the audit is to answer. To help us structure our work, we follow a process known as **issue analysis** (**Box 1**) to break down the main audit question into increasingly more detailed questions on which we gather audit evidence.

## Box 1

### Issue analysis

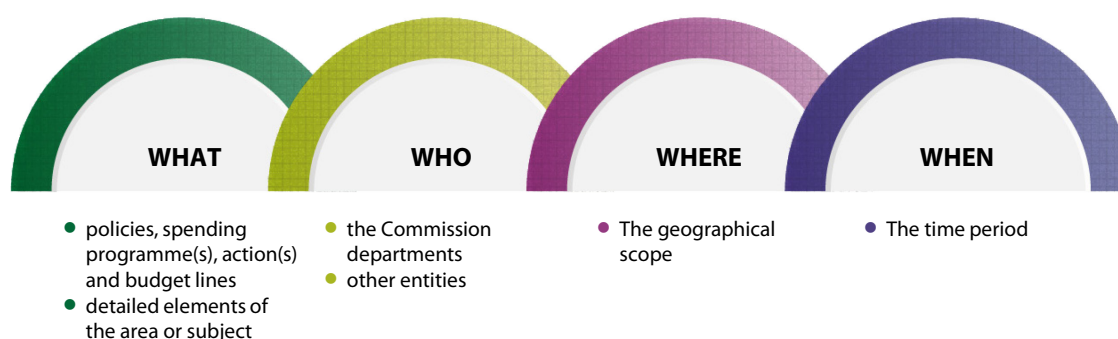
Issue analysis is a collaborative and iterative process the audit team can use to help scope and plan the audit by drawing on the experience and ideas of colleagues. The aim is to design a main audit question and **break it down** into sub-questions that are straightforward and focused enough to be answered.

The audit team provides information to the process participants (reporting member, director, principal managers and other experienced colleagues) to enable them to prepare and contribute effectively.

During the meeting, the participants discuss key risks and make suggestions to help the team develop a robust and structured hierarchy of questions.

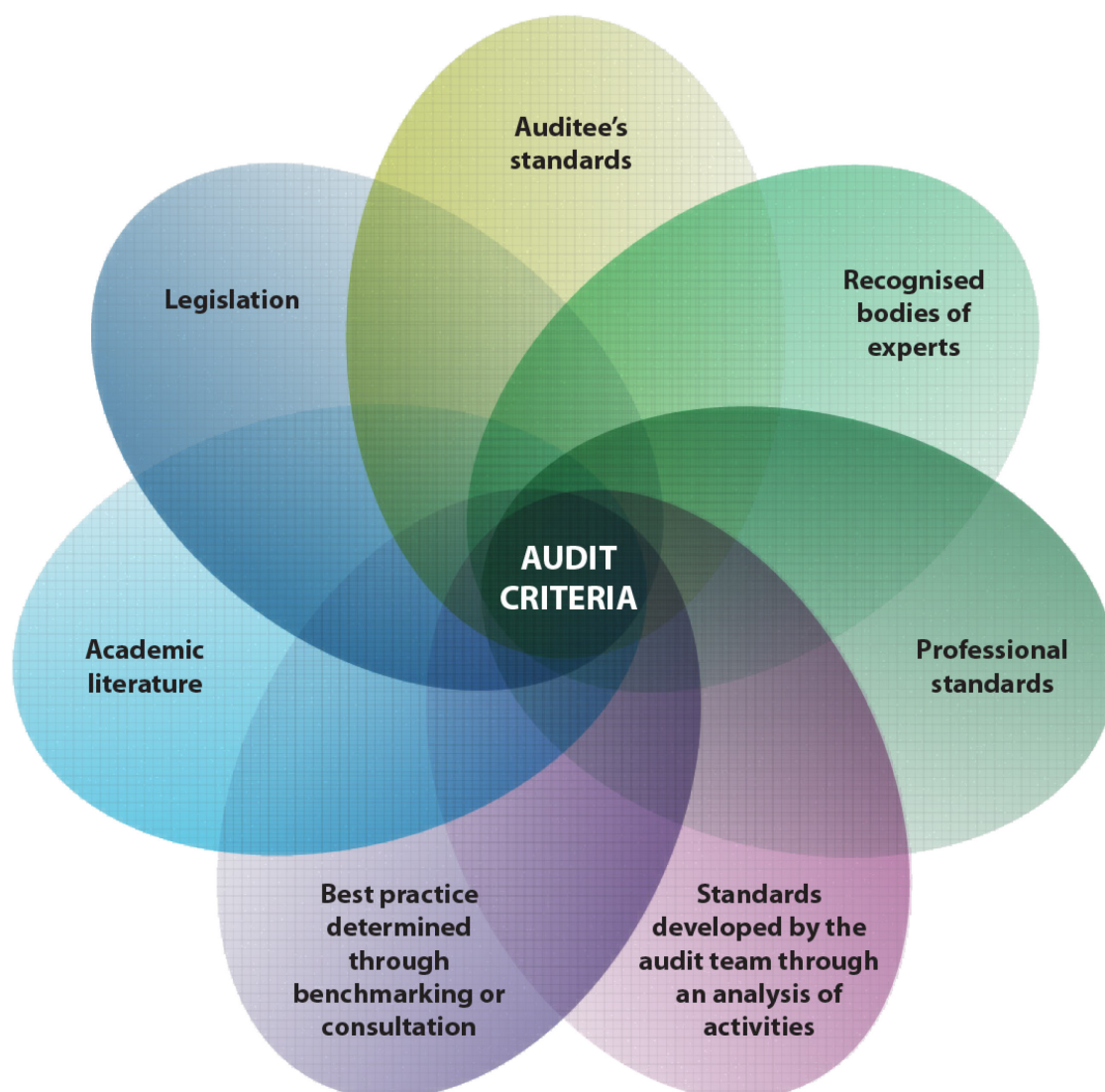
**58** We set the **audit scope** to define the boundary of the audit. The scope delineates what the audit is going to cover (*Figure 10*) and is reflected in the audit questions. The scope helps focus the audit on what is important, and where the task can have impact.

**Figure 10 – Audit scope and approach**



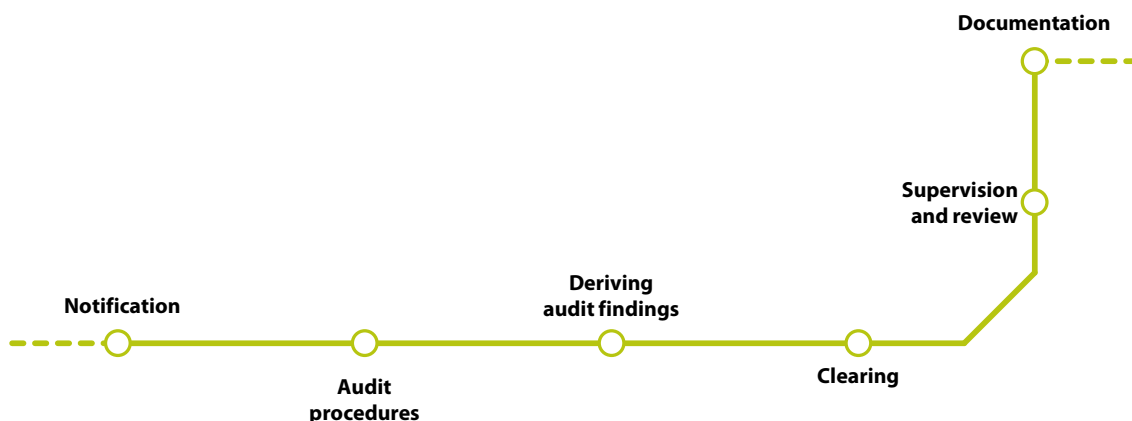
**59** We define the **audit approach** that the audit team will use to answer the audit questions in the most cost-effective manner. We identify the **audit criteria** to use as standards against which we compare the actual situation and performance we observe during the audit. We use criteria that are objective, relevant and reasonable, and derived from recognised sources wherever possible, such as those described in *Figure 11*.

Figure 11 – Sources of audit criteria



**60** We identify the audit evidence that we will need to answer the audit questions objectively, and the sources from which such evidence can be obtained cost-efficiently. We define the [audit procedures](#) that we will use to collect and analyse the information and data that make up the audit evidence. We prepare an evidence collection plan that brings together the audit questions, and the criteria, types and sources of evidence and the audit procedures that will be used to answer them. The team uses the evidence collection plan to develop detailed audit programmes to be followed when carrying out the work.

## Fieldwork



Source: AWARE.

**61** Fieldwork comprises carrying out the **audit procedures** set out in the task plan. It includes collecting and analysing data to use as audit evidence, evaluating what we find against the criteria, deriving and documenting **audit findings**, and clarifying the facts and findings with the auditee(s).

**62** Our main method of **clearing** performance audits is to provide auditees with an early, but relatively complete, draft of the report (or relevant extracts thereof) that includes findings and the proposed conclusions and recommendations. We invite them to comment on the content and, as necessary, the underlying evidence. In cases where it is more efficient, we prepare dedicated clearing documents to clear individual findings with the auditee in question (e.g. with authorities in member states), instead of a draft report.

## Reporting, approval and publication



Source: AWARE.

**63** Publishing our audit findings, conclusions and recommendations is an important element of transparency. During the reporting phase, we analyse and discuss the findings, reply to the audit questions, draw conclusions, prepare recommendations and draft the report. We discuss the draft report with the auditee(s) and give them an opportunity to comment on our findings, conclusions and recommendations and draft a reply, before publishing both the report and the replies.

### Setting a report structure

**64** We use the results of our work – the evidence we have collected – to reply to the audit questions. The audit team follows a ‘[drawing conclusions process](#)’ to formulate the results of the audit and to determine the main messages and best [structure](#) for the draft report ([Box 2](#)).

#### Box 2

##### Drawing conclusions process

The drawing conclusions process helps audit teams formulate conclusions and prepare a logical structure for the draft report. This involves the audit team and reporting member, and a variety of internal stakeholders (director, principal managers, other audit staff), and experts.

The process culminates in a main drawing conclusions meeting. The team prepares summarised information to allow those taking part in the meeting to participate effectively. This includes selecting the most significant audit findings that could figure in the final report and if feasible, a first draft outline report structure as a basis for discussion.

After the meeting, the team circulates the outcome to the participants and key stakeholders who may not have been able to attend, and invite their feedback. A main output of the drawing conclusions process is a report structure and outline based around the main messages. This provides the basis for the detailed report drafting to start.

### Drafting the report

**65** We draft our reports for interested but non-expert readers who are not necessarily familiar with the detailed EU or audit context. Our aim is to [draft](#) objective, balanced and evidence-based reports that are convincing and written in a clear and understandable [style](#).

**66** Our reports follow a standard layout (executive summary, introduction, audit scope and approach, observations, conclusions and recommendations). The **observations** section represents the main body of the report, where we set out the audit findings articulated usually around the audit questions. We aim to include sufficient information and explanations for the reader to understand the extent and significance of the observations. Our **conclusions** provide clear answers to the audit questions as well as bringing together the other main issues identified by the audit.

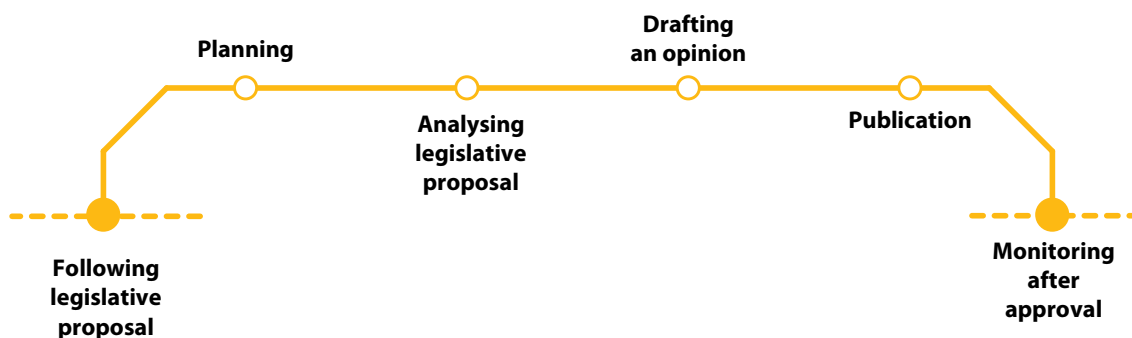
**67** Where appropriate, we make **recommendations** in our audit reports to help our auditees address weaknesses we identify. We use them to suggest ways of improving financial management and the performance of EU programmes and policies. We seek feedback from the auditee on our draft recommendations before finalising them. Our recommendations are intended to have a positive impact by encouraging action by the auditee that is feasible, practical, cost-effective and above all useful.

## Follow up

**68** We **follow up** each special report we publish in order to identify and assess corrective actions taken by the auditee in response to our recommendations. We do this to encourage the auditee(s) to take action, to help increase the impact of our work and to evaluate our performance. Our follow-up work can also give us ideas for future audit tasks

**69** We follow up the recommendations made in our performance audits at the latest three years after publication, either as part of a dedicated follow-up task, or in the form of a new performance audit in the same area. We publish the results of our follow-up on an annual basis to assist the legislative and budgetary authorities in their scrutiny.

## Opinions



Source: [AWARE](#).

**70** We prepare **opinions** to express our view on proposals for new or updated legislation with an impact on financial management of EU funds or related aspects. The **purpose** is to contribute to legislative decision-making, by identifying where proposals are unclear, open to misinterpretation or with potentially unintended consequences.

**71** We issue opinions:

- when the TFEU requires us to be consulted on financial rules, the fight against fraud, and staff regulations; and
- when one of the institutions or bodies requests our opinion.
- We may also comment on legislative proposals on our own initiative and issue our observations.

**72** We **plan our work** on opinions, as far as this is possible. To do so, we monitor the legislative cycle and identify planned legislative proposals on which we may be required, or asked, to provide an opinion.

**73** Our opinion is the result of a detailed **analysis** of a legislative proposal. We draw on our audit experience of the same and similar areas, supported by our broader knowledge of EU financial management. Where appropriate, we consult our internal stakeholders (including the legal service) and external experts.

**74** To help us to issue useful and robust opinions, we communicate with the main stakeholder(s) throughout the process. When feasible, we share a draft of the opinion with the main stakeholder(s) before presenting it for approval. This gives them the opportunity to respond to the main elements of the opinion, and, if appropriate, to start taking our suggestions into account.

## Review reports



Source: [AWARE](#).

**75** **Reviews** focus on presenting facts on a particular topic for which an audit is not required or appropriate, or on a subject for which we have an interest in providing information and analysis, such as significant financial management, governance, transparency and accountability issues. Our reviews are descriptive and informative analyses of areas of EU policy or management. They may cover all or large parts of those areas, or present and establish facts surrounding specific issues or problems including where a rapid response is required. They may also focus on areas that we have not yet, or only partially audited.

**76** Reviews have different **objectives** to audits. Whereas audits address evaluative questions and can provide assurance, reviews are limited to providing clear and accessible description and analysis. We base reviews on reliable and publicly available information, including our previous audit findings. We may collect new material from documents, interviews and surveys to gain understanding and provide the range of opinions related to the subject matter, but we do not form our own judgements. Instead, we outline key risks and challenges in the area under review, and identify issues that would merit further scrutiny.

**77** We plan, prepare and report reviews using the same processes as we apply to performance audits. Our review reports set out the scope of the review, information sources, data collection and analysis methods. We also check the facts and analysis included in the draft report with each reviewee. Since we do not conclude on evaluative

questions, or make recommendations in review reports, we do not engage in an adversarial procedure or publish formal replies. However, we invite each reviewee to comment on the draft [review report](#), in a [final consultation process](#). The views of the reviewee may be reflected in the report.

## Concluding remark

**78** This overview of ECA methodology sets out key principles, processes and methods, and covers the different task types and output, the methodologies and processes we follow for our audits, reviews and opinions, and quality management. It includes multiple links to our online guidance in AWARE (in English only), available via the ECA website. We have prepared the document for our stakeholders, auditees and citizens who wish to know more about how we work. This document exists in all EU languages, and is updated periodically.

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