



Press Release

Luxembourg, 18 October 2016

European Commission needs to further strengthen governance, say EU Auditors

The European Commission needs to further strengthen its governance right across the institution to address key risks, according to a new report from the European Court of Auditors. The auditors say that recent organisational reforms at the Commission go some way towards addressing the so-called “silo” culture, but that in several areas, the Commission diverges from, or does not fully adhere to, international best practice.

The auditors examined governance arrangements at the Commission with a focus on audit, financial management and control to see whether they are in line with best practice and whether they meet the needs of the institution. In the wake of the resignation of the Santer Commission in 2000, the Commission approved the “Reforming the Commission” White Paper, intended to modernise its governance. But best practice has continued to evolve since then. Although some action has been taken, the auditors found that in several areas, the Commission diverges from, or does not fully adhere to, best practice for international and public bodies.

“Getting governance right is a priority in the public and in the private sector”, said Mr. Lazaros S. Lazarou, the Member of the Court of Auditors responsible for the report. “The Commission’s current governance is functional, but it is in need of an update. The Commission needs to be a role model in governance, at the forefront of developments in best practice.”

Recent organisational reforms are beginning to address some of the risks of a “silo” culture, say the auditors, but the Commission still needs to further strengthen governance across the institution as a whole.

The auditors point out that while the Commission’s own Audit Service focuses on internal control, responsibility for overseeing spending outside the Commission lies with the individual Directorates and Units. This limits the information available to the Audit Progress Committee. The role of the Commission’s Audit Progress Committee and its composition is more limited than audit committees at similar international bodies.

They acknowledge that the Commission has recently begun to supply non-financial information to accompany the accounts. However, it still provides less non-financial information alongside its accounts than comparable organisations.

The purpose of this press release is to convey the main messages of the special report adopted by the European Court of Auditors. The full report is on www.eca.europa.eu

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The auditors recommend that the Commission should:

- explain its reasons when it decides not to follow best practice;
- invite its Internal Audit Service to carry out more work on high-level governance issues;
- complete the process of aligning its internal control framework with good governance principles;
- bring forward the publication of its annual accounts;
- bring together information already available into a single accountability report (or suite of reports) presented for audit in a timely manner;
- publish an annual estimate of the level of error based on a consistent methodology;
- regularly update and publish its governance arrangements;
- turn the Audit Progress Committee into an audit committee with a majority of independent, external members and expand its mandate.

Special Report No 27/2016: “Governance at the European Commission - best practice?” is available in 23 EU languages.
