

Statement addressed to the European Parliament, the European Council, the European Commission and parliaments and governments of EU Member States

Impact of the European Semester and other recent developments in EU economic governance on the Supreme Audit Institutions of the Member States of the European Union and the European Court of Auditors

1. The Contact Committee of the Heads of the Supreme Audit Institutions (SAIs) of the Member States of the EU and the European Court of Auditors (ECA) met in Luxembourg on 13-14 October 2011. Part of the meeting was devoted to discussing the impact for EU SAIs and the ECA of the European Semester and other recent developments in EU economic governance, including the regulation and supervision of financial systems and institutions, state aid to the financial sector and audit of the euro crisis management mechanisms.

2. The Contact Committee recognises that the global financial and economic crisis has revealed the close connection between the economies of the EU – both inside and outside the euro area – and emphasised the shared interests and priorities which go beyond the national dimension. The response at EU level has involved a range of measures including: efforts to stimulate economic recovery and growth; new mechanisms to foster fiscal and economic policy coordination; new legislation on economic governance; changes to the supervision of the financial sector; and financial assistance to Member States in need.

Adequate public audit of public funds

3. The Contact Committee emphasises that the new arrangements and instruments set up at national, EU and intergovernmental level (notably among the euro area countries) could have considerable implications for the use of public funds, including an increased risk of gaps in accountability and public audit.

4. The Contact Committee believes that the following principles (helping to promote good governance and the safeguard of assets) should be respected when public funds are at stake:

- sufficient **transparency**, in the form of reliable and timely information (including national statistics) on actual or intended use of public funds, and the risks to which they are exposed;
- appropriate **accountability**, involving public scrutiny of the operations and holding to account decision-makers and those responsible for managing the processes; and
- adequate **public audit**, to provide assurance and information on the use of public funds and the risks to which they are exposed, thereby contributing to transparency and providing a basis for accountability.

5. The Contact Committee emphasises the importance of ensuring an effective public audit response to the financial and economic crisis and its aftermath. The new arrangements and instruments have created new responsibilities, opportunities and challenges for EU SAIs and ECA. These institutions will consider – to the extent possible and within their respective mandates – how to adapt their audit work to the new context. In some cases this process has already started, through the introduction of new and updated audit tasks.

6. The Contact Committee acknowledges the call of the SAIs of the euro area for adequate arrangements for public external audit of the European Stability Mechanism (ESM) in line with international auditing standards. The Contact Committee has adopted a specific [resolution](#) on this issue.

Further developing co-operation between EU SAIs and the ECA

7. The Contact Committee emphasises the importance and benefit of learning from the experience of each other. The increasing interdependence of the economies of the EU reinforces the value of the common perspective that can be gained from co-operating closely. This can include:

- sharing the **lessons learned** from recent audit results, and their impact, as a way of accumulating and sharing knowledge;
- identifying and disseminating current **best practices** in auditing the new (and existing) arrangements;
- identifying **public audit gaps** and the potential for **new audit tasks and new partnerships**, and considering how these could be best addressed; and
- considering the development of specific **audit methods** and techniques for use by SAIs, and tools and guidance for implementing them.

8. The Contact Committee will develop these actions within its existing **networks** covering the audit of Europe 2020 and fiscal policy, and through **parallel or coordinated audits** and by other **co-operative activities** established for the purpose.

Luxembourg, 14 October 2011