



## Press Release

Luxembourg, 14 November 2018

### **“Audit gaps in EU banking supervision must be closed,” urge EU and Member State auditors**

In view of current efforts at EU level to complete the Banking Union, the heads of the 29 supreme audit institutions (SAIs) of the EU and its Member States have called on national governments and parliaments, as well as the European Parliament, the Council and the Commission, to address deficiencies in the accountability and audit arrangements for EU banking supervision.

The establishment of the Single Supervisory Mechanism (SSM) in November 2014 entailed a fundamental change in the architecture of EU banking supervision. Almost 130 ‘significant’ banks came under the direct supervision of the European Central Bank (ECB). These banks represent a total asset value of € 21 trillion, or 80 % of the total asset value of banks in the euro area. Several thousand ‘less-significant’ (i.e. medium-sized and small) banks remain under direct national supervision, albeit under the ECB’s responsibility.

Since the SSM was introduced, those SAIs of euro-area countries that have a mandate to audit the supervision of banks have no longer been able to perform this role for ‘significant’ banks. At the same time, the mandate of the European Court of Auditors (ECA) does not explicitly include the right to audit the ECB’s supervisory mechanism for ‘significant’ banks.

**EU and Member State auditors said:** *“We are witnessing the paradoxical situation that the audit competencies regarding banking supervision are now overall more limited than prior to the introduction of the Single Supervisory Mechanism in 2014”.*

In their statement, the auditors urge the alignment of the ECA’s mandate to audit the ECB’s supervisory mechanism with its audit mandate in respect of the other EU institutions, to ensure that the ECA has full access to all information relevant for its audit work. Secondly, they insist that those national SAIs in the euro area that have a mandate to supervise less significant banks must be allowed to access all relevant information, including from the ECB. And, thirdly, they call for the extension, where necessary and feasible, of the audit mandates of those national SAIs in the euro area that have no or only limited powers to supervise less significant banks, to encompass the audit of national supervisory authorities.

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**Notes to editors**

The EU Contact Committee is composed of the Heads of the SAIs of the EU Member States and the ECA.

The full statement is available on the [Contact Committee website](#) in 24 EU languages.