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# Guardians of the EU's finances



EUROPEAN  
COURT  
OF AUDITORS

# Checking EU funds around the world

## The European Court of Auditors

is an EU institution founded in 1977 and based in Luxembourg. The Court has 28 Members, one from each EU country. Members are proposed by national governments and appointed by the Council in consultation with the European Parliament. Our 900 staff are nationals of all EU countries. Our auditors include experts in accountancy, economics, public administration and law.

## Checking where the EU money goes

We audit whether policies funded from the EU budget are implemented correctly and achieve value for money.

### Financial audits

- checking whether the EU's annual accounts are correct.

### Compliance audits

- checking whether EU revenue and expenditure comply with the rules.

### Performance audits

- checking whether EU money is well spent.



# The EU's auditor

## Improving the EU's financial management

We look into all aspects of EU spending to see how it can be made more effective and deliver better value for money. Nearly all our recommendations are implemented by the European Commission and lead to improvements in the management of EU finances at all levels. Our work also helps the European Parliament and the Council to take well-informed decisions when making EU law and adopting EU budget.

## New tasks

The EU has been given new powers to tackle the financial and economic crisis. As a consequence, we are responsible for auditing certain aspects of the new governance arrangements, such as the European Central Bank's role in supervising the banking sector in the euro area. It is our job to assess how well these arrangements are working.

## Accountability for the use of EU funds

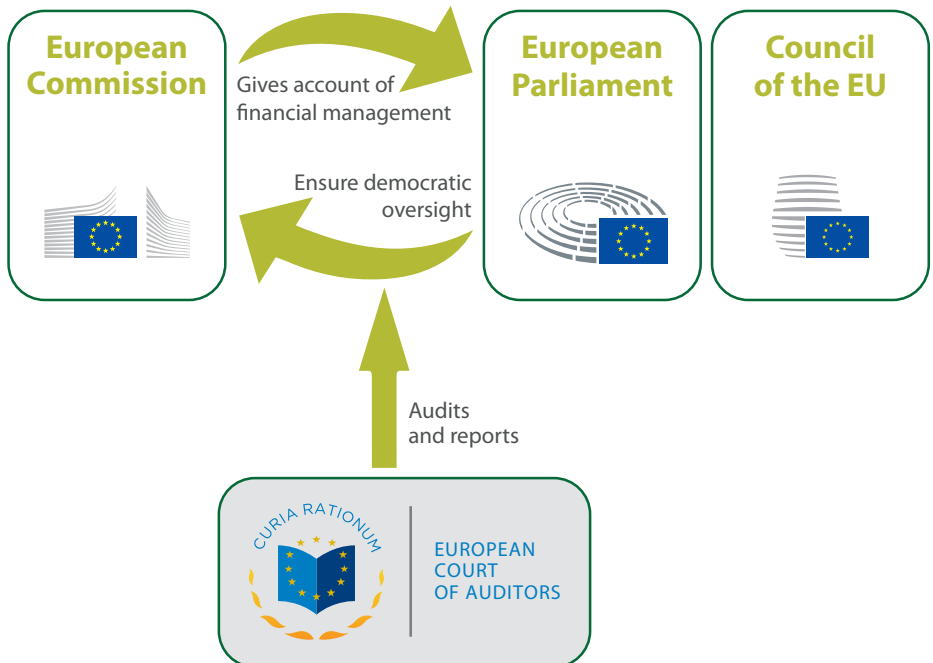
While the European Commission is ultimately responsible for the correct use of the EU budget, around 90% is spent in partnership with national, regional and local authorities in EU or other countries.

Each year we carry out thousands of audit visits across the Union and beyond to people and organisations that receive EU funds.

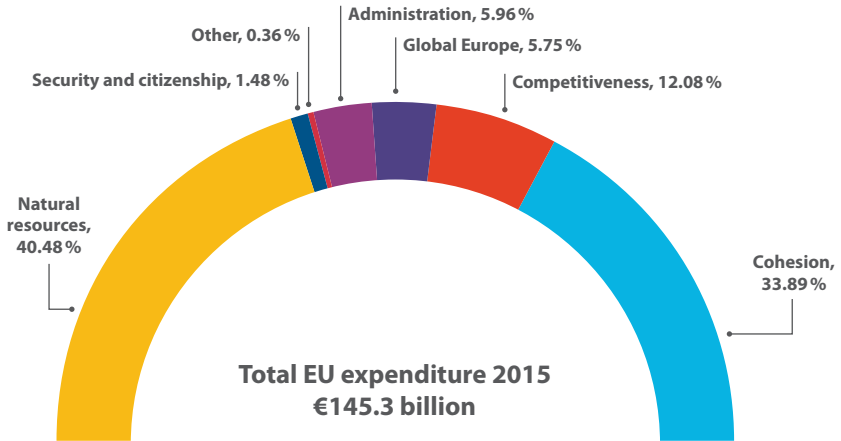
We publish our audit reports in 23 EU languages at [eca.europa.eu](https://eca.europa.eu)

Our audit reports play a key role in enabling effective democratic oversight of the work of the Commission by the European Parliament and the Council: EU accountability in practice.

## Our contribution to EU accountability



# Checking the EU budget



## Annual report

Each year we check if the **EU accounts** are correct and if **EU revenue** and **EU expenditure** transactions comply with the rules. We test a sample of around 1 200 payments made from the EU budget: we carry out audit visits to the great variety of people or organisations in receipt of these funds and check on the spot whether the conditions for payment were met.

### EU accounts reliable, but rules not always followed

For 2013 we concluded in our annual report that:

- the EU accounts were correct and
- EU revenue was collected according to the rules, but
- in EU expenditure we found too many errors to give a 'clear' opinion.

Error rates vary between spending areas. Our work shows that the areas of regional policy and rural development — the management of which is shared with EU countries — are particularly prone to error.

# Checking EU performance



Special Report: Transport

## EU spending for road building

We checked 24 EU-supported construction projects in Germany, Greece, Poland and Spain that had been part-financed with EU money. These projects cost over €3 billion. Most of these roads helped improve travel times and safety.

We found that the final cost for similar roads varied by as much as 43% between countries. This could not be explained by differences in local geography or wages. On average roads cost 23% more than estimated and projects were generally 9 months late. Moreover, traffic on completed roads was often less than forecast, suggesting that cheaper options could have been chosen.

### We recommended:

- setting clear objectives for travel time, safety gains and road use;
- linking EU funding to using **cost-effective** road building techniques; and
- opening construction projects to full **EU-wide competition**.





## EU aid after the Haiti earthquake

We checked the effectiveness of the EU support for rehabilitation after the 2010 Haiti earthquake killed 230 000 people and left 1.3 million people homeless. Among the many international organisations that came to help, the EU was a main donor, with €1.23 billion in financing for programmes supporting housing, sanitation and hygiene, health, food safety and water supply systems.



We found that, although the European Commission had planned well, most EU programmes encountered delays, and some achieved only limited progress. The Commission faced serious obstacles in managing the aid due to rapidly changing conditions and a weak national administration.

Despite all the financial aid received and the international relief, around 210 000 people were still living in tented camps at the end of 2013.

### We recommended that the Commission

- improve its risk management capacities and preparedness;
- ensure effective links between emergency aid, rehabilitation and development cooperation; and
- safeguard EU funds against waste and corruption.

projects **recommendations**

EU spending **effective** objective

checking accounts **EU revenue**

**accountability** rules

**EU budget** independent

payments **value for money**

**transparency** auditing

**performance**

**European Court of Auditors**

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QJ-04-14-539-EN-N