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Speech

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Speech by Vítor Caldeira, President of the European Court of Auditors

150 year anniversary of the Romanian Court of Accounts

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President of Romania, President of the Senate, President of the Chamber of Deputies, and Prime Minister,

President of the Romanian Court of Accounts, Excellencies,

Dear Colleagues, Ladies and Gentlemen,

It is a great honour to be invited to speak at this important occasion, which marks the 150 year anniversary of the Romanian Court of Accounts.

Europe has lived through many devastating times over that period. 70 years ago, today, Europe was at war. Allied forces were landing on the beaches of northern France. And the vast majority of Europe's peoples were subject to authoritarian rule.

The European Union grew out of the seeds of that liberation. It now comprises the peoples of 28 European States.

For the last seven years, Romania has been a Member State of the European Union sharing with all other Member States the objective of promoting the values of human dignity, freedom, democracy, equality, the rule of law and the respect for human rights as well as peace and the well-being of the Union's peoples.

In 2007, when the European Union welcomed the Romanian peoples, the European Court of Auditors welcomed its first Member from Romania, Mr Ovidu Ispir.

Today, I am very pleased to be accompanied by our second Romanian Member, Mr George Pufan, the former secretary general of the Romanian Court of Accounts.

Having Romanian Members of the Court has done much to further strengthen the excellent relations between our audit institutions, which began to be developed already during the period when Romania was preparing to join the EU.

During that time the Contact Committee of the Heads of the Supreme Audit Institutions of the EU Member States and the European Court of Auditors played an important role in supporting the Romanian Court of Accounts, not least through a joint working group dedicated to helping the SAIs of candidate and potential candidate countries to build capacity in preparation for joining the EU.

It is good to see that the Romanian Court of Accounts is now itself very active in leading that joint working group helping to prepare the SAIs of the next generation of EU Member States for the challenges of EU membership.

I believe that further improving cooperation between the SAIs of the EU will be very important to meet two key challenges our institutions will face as the EU continues to develop.

The first challenge is the challenge of auditing and reporting on the use of public funds in a democratic society.

In democracies, public auditors help ensure that there is ultimately accountability to citizens for the way government spends public funds.

As a community of EU SAIs, we recognise that this brings with it considerable responsibilities over and above those found under other systems of government.

As SAIs, we must report publicly to citizens about the use of public funds. We must make a difference to their lives. And we must be accountable and transparent to citizens in everything we do.

So, we can celebrate today the fact that EU SAIs have come to play a central role in all European democracies in holding their governments to account to their citizens.

But at the same time we should acknowledge all the important responsibilities that go with playing that role effectively, especially in the EU context.

This brings me to the second key challenge.

Put simply, it is getting harder to audit governments and to hold them to account. This is because of the transformations that have taken place – and are still taking place - in the activities of government and the way they are financed.

States are expected to provide more complex services in more diverse ways to their citizens than ever before.

As government and public finance have become more complex, the task of auditing those activities has become even more demanding.

Here again cooperation between SAIs has been – and will certainly continue to be - key to addressing this challenge.

In the last few years, in particular, the community of SAIs has made considerable progress. Through INTOSAI and EUROSAI, we have established a framework of professional standards and good practices.

As this framework develops, it should provide an important basis not only for SAIs to carry out high quality audits, but also to coordinate those audits where necessary, such as in the context of developments in European governance.

President, ladies and gentlemen,

The recent European Parliament elections have underlined a serious problem facing the EU, which Europe's SAIs can help to solve by working together.

The problem is how to strengthen the democratic legitimacy and accountability of the European Union to citizens.

It is not a new problem. But since the financial and economic crisis began, it has become steadily more important. As public finances have deteriorated, the trust and confidence of citizens in their governing institutions, both European and national, has fallen.

It is clear that making best use of available public funds is now a top priority for national authorities and EU institutions.

The EU budget represents a major source of potential investment for many Member States at a time when national budgets are under pressure.

But not all the funds available in EU budget get used. And we know that what is used is not always well spent.

The SAIs of the EU Member States and the European Court of Auditors can work together to carry out audits which help Member States authorities to get the most out of the funds available in the EU budget.

And we can help EU and national authorities to answer citizens' legitimate questions about what EU funds are spent on, whether those funds are being used lawfully, and whether they provide value for money.

However, answering those questions in the EU context is not easy. It requires the right accounting, audit and public scrutiny arrangements to be in place at both EU and national level.

The EU SAIs have, through the Contact Committee, been actively engaged in the public debate on important aspects of how the current arrangements could be improved.

For example, the Contact Committee has established two task forces, which include the Romanian Court of Accounts.

The first task force is dealing with the European Commission proposal to develop government accounting frameworks in the EU by introducing European Public Sector Accounting Standards.

The second task force is on the tasks and roles of the external public audit in the light of recent developments in the European Union economic governance.

The EU and its Members States are taking important steps in the right direction but there is a long way to go and there is much EU SAIs can do to help.

President, ladies and gentlemen,

EU SAIs may not have all the answers about how to strengthen the democratic legitimacy and accountability of the European Union. But I am certain that strengthening cooperation between EU SAIs is itself part of the solution.

We should celebrate our good cooperation of the past while preparing to be innovative in the future because what the European Union is trying to achieve has never been done before.

In our efforts to develop cooperation, we can be inspired by the Romanian Court of Accounts' willingness, in recent years, to build its own institutional independence, autonomy and credibility and to share the lessons it has learned with other SAIs.

On behalf of the European Court of Auditors, I would like to congratulate the Romanian Court of Accounts and wish the institution all the best for its future in the European Union, on the occasion of its 150 year anniversary.

Thank you for your kind attention.