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COURT  
OF AUDITORS

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## Speech

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

**Presentation of the 2015 Work Programme**

**The Committee on Budgetary Control of the European Parliament**

**Brussels, 19 January 2015**

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The spoken version shall take precedence.

## ECA Press

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Madame Chair, honourable members,

It is an honour to be invited here today to present the Court's Work Programme for 2015.

I would like to use this opportunity to inform you about the audit reports we will produce in 2015 and the internal reforms we are undertaking.

In drawing up the audit work programme, we have taken account of developments in EU policy as well as the results of the many interactions we have had with members of this Parliament during the year, in particular regarding our audit reports and landscape reviews.

As you know, as part of our strategy for 2013 to 2017, we aim to make our institution's work more relevant than ever to the challenges the EU is facing.

In particular, we aim to assist this Parliament in ensuring effective accountability for the public funds put at stake to address those challenges. That remains the main strategic goal of our institution and it provides the focus for our audits of the way the EU implements and finances its policies.

Each year the Court is required by EU legislation to carry out the financial and compliance audit of the EU budget, the European Development Fund, and each of the EU's agencies and joint undertakings. In total, we will publish 55 such annual and specific annual audit reports in 2015.

In addition, we plan to publish around 30 special reports mostly on performance related topics. The topics are described in the work programme we have published today. As you can see, we plan to cover a wide range of policy measures and financial management issues that reflect key EU priorities and citizens' concerns.

Many of the topics relate to long-term EU policy challenges identified in the Europe 2020 Strategy, which have been included as themes in the Court's own strategy for 2013 to 2017.

We believe those themes continue to be relevant. So let me briefly recall them and give you a few examples of the specific issues our reports will focus on in 2015.

The first is **added value**. As we have noted in many reports and on many occasions over recent years, the EU's managers produce much information about the price of EU spending but little about its value.

This lack of information makes it difficult to hold those responsible for implementing EU policies to account for their performance; it risks poor performance going unchallenged and opportunities to improve being missed.

With citizens' trust in the EU still a problem, making the EU's performance and added value plain for all to see is more important than ever.

In this context, we note that fostering a "performance culture" to improve the added value of the EU is a priority of the new Commission. And we would like to assure this Parliament that added value is a theme that you will find running through much of the Court's output in 2015.

That includes our annual report on the EU budget where, in the chapter on getting results from the EU budget, we will be looking to focus on whether the current performance framework enables the Commission to monitor and steer progress towards Europe 2020.

With a weak EU economy continuing to put pressure on national budgets, implementing the Europe 2020 Strategy and strengthening **growth, employment** and **public finances** matter more than ever.

So, in 2015, we will be working on reports on specific aspects of these three themes, for example on innovation, youth employment, and the excessive deficit procedure.

And with 2014 the hottest year on record, taking action on **climate change** and the **environment** is once more high on the political agenda.

So, in 2015, we also plan to report on the EU's Emissions Trading Scheme as well as on a range of environmental protection measures including those relating to farmers' preserving nature, water quality in the Danube river basin, Baltic Sea pollution, and combatting illegal logging in developing countries.

So far I have given examples of audits related to long-standing challenges. In addition, we have included audits in our work programme that relate to **emerging issues** and recent **EU developments**.

In particular in 2015, we intend to report on EU financial assistance to Ukraine and on EU policy measures and infrastructure investments for energy security as well as on the newly established single supervisory mechanism for Euro area banks.

Furthermore, while a good number of our audits will focus on the implementation of policies, others will focus more specifically on the types of **financial support** the EU offers.

For example, in 2015, we will be looking at grant management in Agencies and Joint Undertakings, micro-finance for fostering social inclusion, and financial engineering instruments in rural development.

Madame Chair, honourable members,

In 2015, we plan to produce more reports about the performance of specific EU policies and programmes than ever before. But we also recognise that the **timing of audit reports** matters.

In 2015, we already plan to reduce the average time taken to produce a report whilst continuing to comply with the International Standards for Supreme Audit Institutions. But as you know, we consider that the time taken could be further reduced if the provisions in the Financial Regulation regarding the treatment of the Court's special reports were to be revised as we have suggested to you Madame Chair, in your capacity as reporting member for the Committee on Budgets.

We also recognise the importance of delivering reports at the right time, so we will shortly be sending you an indicative timetable for 2015. On this point, I know that our new Member for Institutional Relations, Mr Itälä, is looking to coordinate with this committee - and through this committee with the other committees of the Parliament - to arrange appropriate opportunities to present all our audit reports as well as other outputs of the Court.

Those **other outputs** include opinions on legislative proposals, overviews of audit findings, and position papers that the Court prepares either at the request of other institutions or on its own initiative.

They are based on our audit experience rather than on specific audits and they are a flexible way for us to provide insight and input to the decision-making of this Parliament, the Council and the Commission.

Although not specifically referred to in the 2015 Work Programme, we anticipate producing a number of these outputs during the year. For example, last week we adopted an opinion on the Commission's proposal to revise certain provisions of the current financial regulation for the EU budget.

We are also preparing an opinion on the draft financial regulation of the **Single Resolution Board**.

And, although we have not yet received a formal request for an opinion, we are closely following the legislative procedure regarding the establishment of the **European Fund for Strategic Investments** with a view to providing relevant insights based on our experience of auditing similar instruments.

Madame Chair, honourable members,

As I said at the start, in 2015 we will continue to carry out **internal reforms**.

We have set ourselves an ambitious audit work programme for 2015, which we believe we can implement by making individual audits more focused, streamlining procedures, and achieving further efficiency gains.

Overall, in 2015, we anticipate a rise in the proportion of resources devoted to performance audit, as recommended by this Parliament in its 2014 report on the future role of the Court.

The reforms we are undertaking will not only help improve our capacity to audit performance issues but also our ability to re-programme our work during the year, if necessary, in response to important developments and new priorities.

The reforms include measures to implement the relevant recommendations of this Parliament and our peer reviewers for further strengthening our performance audit practice.

For example, we will be looking to develop our policy expertise and capacity to carry out performance audit, in particular in areas such as “banking union” where we have new responsibilities.

Finally, as regards our **cooperation with Supreme Audit Institutions** of the Member States, let me highlight two concrete projects in 2015.

The first aims to map the new accountability and audit arrangements for the financial supervision of banks based on a survey that we have prepared.

The second involves working with EU SAIs to review a number of national partnership agreements under the Europe 2020 Strategy with a view to reporting the results in our annual report.

Madame chair, honourable members,

I hope I have succeeded in conveying to you how our Court intends to make its work in 2015 relevant to the major challenges facing the EU, and therefore also to assisting this Parliament and the other institutions at what is a crucial time for our Union.

Thank you for your kind attention.