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COURT  
OF AUDITORS

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## Speech

Brussels, 11 January 2016

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

Presentation of the 2016 Work Programme  
The Committee on Budgetary Control of the European Parliament

Brussels, 11 January 2016

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Madam Chair,

Honourable members,

Thank you for inviting me to present the 2016 Work Programme of the European Court of Auditors.

2016 will be a testing year for the European Union and its institutions. The EU and Member States are facing crucial long-term challenges and ongoing crises, including:

- Strengthening the economy and employment;
- Achieving new sustainable development and climate goals; as well as
- Managing migration and countering terrorism.

That makes it essential for the EU to make best use of the limited means at its disposal, both legislative and budgetary. In other words, improving prioritisation and performance are now key issues for the EU, in particular as it reviews its long-term strategy and multi-annual financial framework.

The Court's 2016 Work Programme reflects that reality. It sets out the audits we plan to start and the reports we intend to publish in 2016. Once again, in addition to meeting our obligation to produce over 50 annual reports, we will maintain a strong focus on the audit of performance.

Of course, we cannot audit and report on everything. So, we aim to concentrate our work where we believe it can add most value. To do that, we identify audit priorities to guide our work over a two to three year period.

Those priorities inspire themes in our annual reports, they drive the selection of new tasks for special reports, and they represent areas in which we look to develop long-term knowledge and audit experience.

Each year we update our priorities based on a review of EU developments and our understanding of our stakeholders' needs. For this year's work programme, we benefited from a greater level of engagement than ever before with the committees of the Parliament. I would like to thank the Budgetary Control Committee and the Conference of Committee Chairs for that.

We very much hope to make such inter-institutional dialogue a permanent feature of our work programming process from now on.

In our view, it is an essential part of our efforts to make our outputs as relevant and as useful as possible. It enables us to identify audit priorities, select topics and determine the scope of specific audits, thereby helping to avoid expectation gaps.

In October last year, when Members of the Committee visited the Court, I gave a preview of our priorities for 2016. This time I would like to highlight some of the specific audits related to those priorities that we plan to start working on in 2016.

As I said at the start, improving the economy and creating jobs remains a key priority for the EU.

In recent years we have prioritised the audit of youth employment measures. In fact, my colleague Iliana Ivanova will be presenting our most recent special report on that topic under the next item on your agenda.

In 2016, we will turn our attention towards the efforts to improve the economy by strengthening the **internal market**, including initiatives related to the Commission's digital agenda.

In particular, we plan to start audits on support for workers' mobility, high-speed broadband infrastructure, and the road and rail networks as well as on initiatives to remove barriers to the single market and improve the regulation of financial services.

The European economy will only develop and grow in an atmosphere of sound **financial and economic governance**. This will also continue to be an audit priority.

In 2016, the Court plans to report on financial assistance to Member States, the Excessive Deficit Procedure and the supervision of EU credit rating agencies based on audits started last year.

In addition, the Court also plans to audit the new Single Supervisory Mechanism and the Single Resolution Mechanism for the first time as well as to start work on assessing the first five years in operation of the European Semester.

Energy policy remains a priority. In 2015, we published a special report on the internal energy market and the security of energy supply. In 2016, the priority will be **Energy and Climate**, a topic on which we plan to carry out a landscape review.

Meeting climate goals also has important implications for many traditional EU policy areas in which EU funds are spent. In 2016, we plan to report on the overall commitment to spend 20% of the EU budget on climate action related activities as well as to look specifically at biofuels policy, agricultural practices and aid for renewable energy in rural areas.

In addition to the above, we have one major new audit priority for 2016: **Asylum, Migration and Security**.

As the Committee knows, we have an ongoing audit on migration spending in the Southern Mediterranean and Eastern Neighbourhood countries. The preliminary observations are currently undergoing the adversarial procedure and, taking account of the Committee's high-level of interest in this topic at the current time, will be finalised as soon as possible.

Since we began that audit in 2014, the EU has received an unprecedented number of refugees, many seeking asylum. The EU and Member States have taken measures to deal with this crisis and more are planned this year.

Therefore, the Court plans to start a new audit later this year specifically on the Commission's response to the refugee crisis, building on the knowledge of EU policy in this area that we have acquired on the migration audit.

In 2016, we also plan to start audits on the tools to protect against terrorism, measures to prevent human trafficking and aid to states that could be potential sources of migrants and asylum seekers, such as Tunisia and the Central African Republic.

As in previous years, we plan to begin work on a number of special reports on issues related to the EU's main instruments for coordinating and implementing policy, namely the EU's strategy, the major spending programmes, and the agencies and other bodies.

As regards the main spending programmes, we plan to look at the absorption of EU funds, project selection and financial corrections in cohesion as well as the basic payment scheme in agriculture.

As regards EU entities, we plan to assess the performance of the Innovation and Networks Executive Agency and the European Research Joint Technology Initiatives as well as to carrying out a review of the European Court of Justice.

The Court's priorities will also be reflected in the audit work that underlies our annual reports.

The next **annual report** on the EU budget will include a new chapter on the Multi-annual Financial Framework heading: Security and Citizenship.

We will continue to give prominence to performance issues in the annual report. In the chapter on getting results from the EU budget, we plan to report on the Commission's mid-term review of Europe 2020 strategy and the extent to which Horizon 2020 is focused on results and contributing to the achieving the goals of that strategy.

We will also report again on the performance issues arising from the audit of expenditure transactions under shared management in the relevant chapters of the report.

Finally, we will also follow up developments with respect to the absorption of EU funds and the use of financial instruments that we highlighted last year in our chapter on EU budgetary and financial management.

Madam Chair, honourable members,

As the Commission rightly says in its work programme for 2016, this is no time for business as usual in the EU. The Court also recognises that fact for itself.

So far I have covered our audit priorities for 2016. Now I would like to say a few words about the steps we are taking to improve our performance as an institution.

In 2016, we will need to manage significant change within our institution as we move forwards with reforms as part of our strategy for 2013 to 2017.

At the beginning of January, our new task based organisational model entered into force. We believe it will enable us to manage our tasks and resources in a simpler and more flexible manner in the coming years.

In particular, I believe it will assist us to adopt the special reports that we start in 2016 in general within 13 months, as is now provided for in the Financial Regulation.

We will provide more details of our progress in implementing our strategy as well as the recommendations of the peer review and the Parliament in our Annual Activity Report on 2015.

Madam Chair, honourable members,

These are challenging times for our Union. The EU institutions need to work together to solve the daunting problems we face, each using our powers and resources as best we can.

In 2016, the European Court of Auditors aims to contribute to our collective efforts in that regard by implementing the work programme that I have had the honour to present to you today.

Thank you.