

Statement

Importance of appropriate audit and accountability arrangements in the Economic and Monetary Union and EU economic governance

We, the Contact Committee of the Heads of the Supreme Audit Institutions (SAIs) of the EU Member States and the European Court of Auditors (ECA);

acknowledging the valuable work done by the European Council in developing measures and tools to bring stability, co-ordination and good governance to the management of public funds and to promote competitiveness, creation of jobs and growth;

emphasising that, when formerly national competences and responsibilities are moved to an EU or intergovernmental level, audit and accountability should be safeguarded;

recalling the resolution A/66/209 adopted by the United Nations General Assembly on 22 December 2011 on “Promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening Supreme Audit Institutions”, which highlights the principles of independence of government audit institutions and notes with appreciation the Lima and Mexico Declarations of the International Organisation of Supreme Audit Institutions (INTOSAI);

recalling the June 2012 report of the President of the European Council *Towards a genuine Economic and Monetary Union* that sets out a vision for a stable and prosperous Economic and Monetary Union (EMU) through integrated budgetary, economic and financial frameworks, while also ensuring democratic legitimacy and accountability;

considering the Communication from the European Commission setting out *A blueprint for a deep and genuine economic and monetary union: Launching a European Debate*;

welcoming the importance assigned to the principles of democratic legitimacy and accountability in the roadmap for the achievement of a genuine EMU of December 2012, prepared by the President of the European Council in collaboration with the Presidents of the European Commission, European Central Bank and Eurogroup, and in the European Council’s conclusions of 14 December 2012;

endorsing the views expressed by the ECA in its letter of 7 February 2013 to representatives of the European Parliament, European Council, Council of the European Union, European Commission and European Central Bank (ECB) that its mandate encompasses the audit of sound financial management of the proposed prudential supervision of credit institutions by the ECB;

recalling the Contact Committee statement of October 2011 on the *Impact of the European Semester and other recent developments in EU economic governance on the Supreme Audit Institutions of the Member States of the European Union and the European Court of Auditors* addressed to the European Parliament, the European Council, the European Commission and parliaments and governments of EU Member States;

emphasising the following principles to be followed when public funds are at stake:

- sufficient transparency in the form of reliable and timely information showing a true and fair view in accounts;
- appropriate accountability, involving public scrutiny and holding to account those responsible for management of the processes; and

- adequate public external audit to provide assurance and information on the receipt and use of public funds, and the risks to which they are exposed, in line with the international standards on auditing (ISSAIs).

Agree that:

The European Council's discussions on the Roadmap in June 2013 will provide an important opportunity to safeguard and strengthen public external audit and accountability when completing the EMU, the banking union and the strengthened co-ordination of economic policies, in particular by:

- **Building a coherent audit and accountability framework**

The respective roles of the European and national parliaments in the legislative and accountability processes, and their mutual relations in this respect, are indispensable and should be preserved.

As concerns the EU legislative process, the national and EU accountability chains and relationship between SAIs and the national parliaments, should be safeguarded, in line with the national constitutions;

- **Recognising the importance of public external audit in EU legislation**

Independent and adequate external audit at EU and national level is paramount for providing legislators and citizens with assurance and information on the legal, effective, efficient and economic use of public finances and implementation of policies.

European provisions with an impact on public external audit should only be regulated through EU legislative acts requiring a consultative process, as established in the Treaty on the Functioning of the European Union;

- **Strengthening audit arrangements in respect of the banking union**

The Contact Committee highlights the importance of enabling sufficient audit coverage of prudential supervision of credit institutions within the proposed banking union. The Contact Committee emphasises the need to ensure efficient, transparent and comprehensive auditing of these supervisory authorities at the national and European levels;

- **Incorporating audit arrangements in the area of fiscal discipline**

The Contact Committee calls for a comprehensive consideration of the role of external public audit in the field of enhanced fiscal discipline. The allocation of tasks to EU SAIs should be left to the discretion of the Member States;

- **Improving transparency and audit coherence of the financial stabilisation instruments**

The Contact Committee emphasises the need for efficient, transparent and comprehensive public external audit arrangements for the different European financial stabilisation funds.

The Contact Committee requests its Acting Chair, the Auditor General of the SAI of Lithuania, together with the President of the SAI of Portugal and the President of the European Court of Auditors (the outgoing and incoming Acting Chairs respectively) to forward in the name and on behalf of the Presidents of the European Union SAIs this statement to the President of the European Council.

Done in Luxembourg on 8 May 2013