

## RESOLUTION

### CC-R-2012-02

#### **on Supreme Audit Institutions' cooperation with Eurostat and National Statistical Institutions**

At the meeting in October 2011 the EU Contact Committee decided to establish a task force to explore the possibilities for cooperation between EU Supreme Audit Institutions (SAIs) and Eurostat and National Statistical Institutions (NSIs) (CC-R-2011-6).

The task force has carried out a survey among the SAIs of the EU Member States to explore whether SAIs have a remit to audit NSIs and whether they undertake any cooperation with their NSI. On the basis of the 24 responses received, the survey shows that only a few SAIs cooperate with their NSI, but many find that such cooperation has potential. In June 2012 the task force met and discussed potential areas of cooperation. The task force accordingly prepared this resolution with a list of suggested areas of cooperation and a background report that elaborates on the task force's work.

#### ***Considering:***

- recent developments and initiatives in EU economic governance that underline the importance of reliable and timely information (including statistics) on the use of public funds and public debt;
- the invitation from Eurostat to the Heads of SAIs at the Contact Committee Meeting in 2011 to play a significant role in improving the quality and reliability of national statistics;
- the principle of independence of SAIs expressed in the Lima and Mexico Declarations (ISSAI 1 and 10) that state that SAIs as a matter of principle may not be instructed by external parties to perform specific audits. SAIs operate in accordance with their mandate and national legislation which define their rights and limitations;
- European Parliament resolution of 13 March 2012 (T7-0073/2012) on quality management for European statistics (section 12) which: "... calls on the Commission to present proposals ensuring greater independence and greater coherence in the competences of the national courts of auditors in verifying the quality of the sources used to establish national debt and deficit figures ...";
- Council Directive 2011/85/EU article 3 section 1: "As concerns national systems of public accounting, Member States shall have in place public accounting systems comprehensively and consistently covering all sub-sectors of general government and containing the information needed to generate accrual data with a view to preparing data based on the ESA 95 standard. Those public accounting systems shall be subject to internal control and independent audits.";
- Draft regulation (COM 2011/0821) article 7 section 6 regarding euro area Member States where an excessive deficit has been identified. The draft regulation requires that the Member State: "... carry out and report on a comprehensive independent audit of the accounts of the general government conducted in coordination with national supreme audit institutions, aiming at assessing the reliability, completeness and accuracy of these public accounts for the purposes of the excessive deficit procedure.";

- the European Commission's and Eurostat's considerations on introducing common public sector accruals-based accounting standards for general government in the Member States in the future;
- Communication (2011) 211 from the European Commission to the European Parliament and the Council "Towards Robust Quality Management in European Statistics" which sets out a strategy to give the European Union a quality management framework for statistics related to enhanced economic policy coordination, particularly with respect to a "preventive approach to verifying government finance (EDP) statistics" and including mechanisms to ensure the high quality of statistical indicators.

The Contact Committee:

**emphasises** the importance of good communication between SAIs and NSIs to improve and ensure the quality of government statistics in the framework of their own competences and mandates;

**acknowledges** that SAIs may play an important role in ensuring the quality of government statistics. Through their audit of the public sector accounts, SAIs already contribute to the verification of data flowing to the NSIs;

**acknowledges** that SAIs may play a role (together with the NSIs) in identifying risks and breaches in the system in their Member State that ensures good quality in government statistics;

**stresses** that SAIs are independent institutions that cannot be instructed by Eurostat or any EU bodies to carry out specific audits or tasks;

**stresses** that although there are differences between the involved institutions in terms of mandates, responsibilities and powers there is a common goal for good public governance;

**encourages** the individual SAIs to consider how they can:

contribute to improving the quality of upstream data used by Eurostat and the NSI, by:

- considering auditing the quality of upstream data sources, including quality management;
- identifying any audit gaps that may prevent full audit coverage of general government data by internal control and external audit (c.f. Council Directive 2011/85/EU);
- considering – if relevant in the national context – to assist or advise the administration on implementation of accounting standards or other similar guidance.

establish and maintain good communication with the NSI by:

- considering making the NSI a privileged partner, meaning that the SAI and the NSI, where beneficial for both, could for instance exchange information on risk analysis, possible infringements, information on standards, methodology, etc.;
- considering how to make SAI and NSI reports more useful to each other in timing and scope and, if suitable in the national context, share issues or results that might require immediate attention by the other party;
- establishing and maintaining regular or ad hoc contact with the NSI, depending on the NSI's willingness, for instance by yearly meetings, ongoing informal contact, etc.;
- participating in Eurostat's upstream dialogue visits, where Eurostat visits the NSI and the upstream data providers, when invited.

The Contact Committee **decides to:**

- suggest that the SAIs establish contact with their NSI if they have not done so already;
- ask SAIs to consider their role in national follow up on six pack, two pack and EDP regulation where relevant;
- instruct the Liaison Officers to follow up on the task force's results and report to the Contact Committee when appropriate or in 2015 at the latest;
- make this resolution available on the Contact Committee website and forward it to the European Commission, Eurostat and the NSIs of the EU Member States.

The Contact Committee **acknowledges** that the task force has completed its work with this resolution and the attached report.

Estoril, 19 October 2012

SAIs Rapporteurs: SAIs of Denmark and Poland

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