

# 2004 discharge: EC general budget, Court of Auditors

2005/2094(DEC) - 21/03/2006

The committee adopted the report by Nils LUNDGREN (IND/DEM, SE) recommending that the European Court of Auditors (ECA) be granted discharge for the 2004 budget. In its accompanying comments, the committee expressed concern at the dominant position occupied by "a small number of large accountancy practices in Luxembourg and elsewhere" when it came to appointing an external firm to audit the ECA's accounts. It called for a tender procedure for the appointment of external auditors that is "transparent, fair and intelligible to Parliament".

The report noted the ECA's expansion to 25 Members following enlargement and queried the effectiveness of such a structure. It asked the ECA to look into the possibility of reducing the number of Members to one-third of the number of Member States, and hoped that it would be possible to devise "a more rational structure" before the next enlargement. MEPs suggested that one option, as recommended by the UK House of Lords, might be to replace the current structure by "a highly qualified chief executive supported by a strong auditing staff, and reporting to a part-time, non-executive board of representatives from each of the Member States".

The committee also advocated publishing Members' declarations of financial interests on the ECA's website, "thereby contributing to greater transparency of the EU institutions". Lastly, it referred to the legal proceedings against a former Member of the ECA which had been pending before the Luxembourg courts for a long time. Warning that "judicial delay is not an acceptable response to a potentially embarrassing dossier", MEPs said that Parliament would "follow attentively" the Luxembourg judicial authorities' hearing of the case in question.