



Frequently Asked Questions: The European Court of Auditors' role and work as the external auditor of the EU

1. Who are we?

The European Court of Auditors (ECA) is the **independent external auditor of the European Union (EU)**. It was established by the 1975 Treaty of Brussels, starting work in October 1977 and became an EU Institution in 1993 under the Maastricht Treaty.

We contribute to improving EU's financial management, promote accountability and transparency, and act as the **guardian of the financial interests** of the citizens of the Union. Our independent and objective work supports other EU institutions and the member states to better manage and supervise the use of EU funds.

We communicate our work and findings through our reports and other publications. These reports are important to the Council and the European Parliament in their legislative and scrutiny work and for the process of the European Parliament **granting discharge** to the EU institutions of their implementation of the EU budget.

2. What do we do?

We undertake **audits, reviews** and issue **opinions**.

- We select and conduct our **audits** independently based on our mandate and tasks defined in the Treaty and in accordance with [INTOSAI professional standards and other pronouncements](#): *Audit is a systematic process of objectively obtaining and evaluating evidence to determine whether information or actual conditions conform to established criteria executed by independent external audit bodies.* Our audit mandate encompasses **financial, compliance and performance audits** and covers EU institutions and bodies and member states authorities implementing EU funds and/or policy.
- Our **reviews** aim to provide scene-setting descriptions and analysis, often from a cross-cutting perspective and based on previous audit work or other publicly available information. We may present our analysis of areas or issues we have not yet audited or establish facts about specific topics or problems. This work can also point to relevant risks and challenges.
- We also issue **opinions** on Commission's proposals for new or revised legislation. Where these proposals entail a significant and/or direct impact on financial management, EU law requires the ECA to be consulted in certain legislative processes. Other EU institutions may request the ECA to issue opinions on other specific issues. All our opinions are communicated to the European Parliament and the Council, the EU legislators, for their consideration, while not being legally binding.

3. What kinds of audits do we carry out?

We carry out three different types of audits; we check that EU funds:

- are correctly accounted for (**financial audit**),
- are raised or spent in accordance with the relevant rules and regulations (**compliance audit**) and
- have achieved value for money (**performance audit**).

Financial and compliance audits

In accordance with [our mandate under the Treaty](#) we are required to audit every year the reliability of the consolidated annual financial statements of the EU general budget (**financial audit**) and the legality and regularity of the transactions underlying them (**compliance audit**). We form our audit opinion (**statement of assurance**), based on a structured financial and compliance audit approach.

Through our annual **financial audits**, we examine whether the Commission has correctly presented the financial information in the financial statements in accordance with the applicable financial reporting and regulatory framework. We follow international auditing standards. To arrive at our audit opinion, we check the functioning of key accounting procedures, analyse and reconcile accounts and balances and perform substantive tests.

Our **compliance audits** are carried out by assessing whether activities, financial transactions and information recorded in the EU's financial statements comply with the rules, laws, regulations and agreements relevant for the audited entity.

To assess whether the transactions underlying the accounts comply with EU and other applicable rules and regulations, we rely mainly on direct testing of a randomly selected, statistically representative **sample of transactions**. This is complemented by an examination of selected **supervisory and control systems** to determine whether EU revenue collected and payments incurred were calculated correctly and comply with the EU's legal and regulatory framework. Our **detailed testing** covers each year all EU spending schemes and selected member states and is used to provide specific assessments for major areas of the EU budget. We also use relevant and available **work of other auditors** both from the Commission's and EU member states' administrations as evidence to support our audit conclusions.

Performance audits

For our selected **performance audits**, we assess the quality of EU revenue or spending. These audits involve an examination of programmes, operations, management systems and procedures of bodies and institutions that manage EU funds, to assess whether they are achieving **economy, efficiency and effectiveness** in the use of those resources.

The ECA performance audits encompass checks of the procedures and systems of the public intervention process, including **inputs** (financial, human, material, organisational or regulatory means needed for the implementation of the programme), **outputs** (the deliverables of the programme), **results** (the immediate effects of the programme on direct addressees or recipients) and **impacts** (long-term changes in society that are attributable to the EU's action).

4. What are the main outputs that we publish resulting from our audit work?

The ECA has four [main types of outputs](#): **annual reports, special reports, reviews and opinions**:

Our **annual reports** contain the results of our **financial and compliance audit** work on the EU budget, the Recovery and Resilience Facility (RRF), and the European Development Funds. Additionally, we publish **specific annual reports**, where we present the results of our **annual financial audits** of EU agencies, decentralised bodies and joint undertakings. Our annual reports contain our statement of assurance or audit opinion, which supports and informs the European Parliament when deciding whether to approve the implementation of the EU budget for the year.

We publish the results of our **performance audits** on various spending and policy areas in **special reports**. They focus on topics reflecting the issues the EU is facing, such as issues related to growth and jobs, European added value, management of public finances, the environment and climate action.

In 2023, we published **35 special reports and reviews** addressing many of the challenges the EU is facing across the different areas of EU spending and policies.

We also published **four opinions** examining the Commission's legislative proposals.

We publish all our reports, reviews and opinions on [our website](#) in the **24 official EU languages**. For our reports, the replies of the audited body(ies) are equally published on our website.

5. What money do we audit?

Every year, as part of our statement of assurance work, we audit **revenue and expenditure under the EU budget**. In addition, we audit the regularity of **RRF expenditure, for which** we issue a separate audit opinion.

For our annual report 2022, our audit population for testing revenue and expenditure amounted to €245.3 billion and €220.5 billion respectively. We had separate audit populations for EU budget spending (€166.8 billion) and RRF spending (€53.7 billion) to support our respective opinions.

In addition, we audit other EU revenues and expenditures, such as for the 8th, 9th, 10th and 11th European Development Funds (EDFs), EU agencies and joint undertakings.

Our performance audits or special reports focus on specific spending and policy areas that the EU supports, or budgetary and management topics.

6. Whom and where do we audit?

The ECA has its premises in Luxembourg. We carry out our audit work in Luxembourg and on the spot. Our auditors make a large number of visits to **the European Commission** – our main auditee – and to other EU institutions, as well as to EU agencies and bodies, national, regional and local authorities in the EU member states, EU delegations outside Europe in non-EU countries, and to international organisations that manage EU funds.

Our auditors also visit beneficiaries **of EU funds on the spot**, both within the EU and beyond its borders. Through these checks, we follow the money from the EU budget to the final beneficiaries and **obtain direct audit evidence** for the disbursement from those involved in managing EU policies and programmes and collecting or paying out EU funds, as well as from the final beneficiaries.

7. How do we establish our work programme?

The ECA is fully independent in selecting and carrying out its audit work.

Our main objectives for the long-term planning are set out in our [multiannual strategy](#). In addition, we carry out a rolling planning exercise where we decide in more detail what we will audit in the following years, and what resources are needed to do so.

When establishing our work programme, we select audit tasks applying several objective criteria, such as

- risks to the budget and to policy implementation through the budget,
- financial volume,
- previous coverage of the audit areas,
- potential added value/impact and
- available resources.

In this process, we also take account of audit proposals received from our institutional stakeholders (committees of the European Parliament submitted via its Conference of Committee Chairs, and from the Permanent Representations of member states to the EU). At the end of the process, we adopt our work programme and highlight our audit priorities for the coming years and provide details of the special reports and reviews we intend to carry out, in addition to our yearly annual reports.

We share the [ECA's work programme](#) with our stakeholders and we regularly update our [indicative timetable of reports](#) to be published within a period of 12 months.

While we plan our audit work in advance, we remain responsive when circumstances make it necessary to audit an EU policy area at short notice when emerging issues necessitate attention.

8. What is the impact of our work?

Our reports **inform policymakers and legislators about areas where the EU could do better in the future**. They are also clear and accessible, because we believe that European citizens should easily be able to understand what has been done with their money and whether it was spent wisely and in line with the rules.

Whilst our **recommendations** are not legally binding, most of them are accepted and implemented by our auditees. And when we revisit an audit area a few years after our reports have been published, we consistently find that our recommendations have had a positive impact.

9. Who works at the ECA and what role do the ECA members have?

The ECA **operates as a collegiate body of members**, one from each EU member state. [The ECA members](#) are appointed by the Council after consultation with the European Parliament for a renewable period of six years. The ECA is led by a president, a member elected by the college. The president assumes the role of 'first among equals' for a renewable term of three years.

ECA FAQs

ECA Members are assigned to one of [five audit chambers](#), where most of our audit reports, reviews and opinions are adopted. Audit chambers allocate their tasks among their members. Each member is accountable to the chamber, and to the college, for their audit tasks.

The ECA has around **950 staff**. While most of them are auditors, we also employ translators and staff that provide support services and general administration. The audit staff have a broad range of professional backgrounds and experiences in both public and private sectors, including in accountancy, internal and external audit, law and economics. The ECA employs **nationals from all EU member states**. As EU civil servants, ECA staff are subject to the EU Staff Regulations. The ECA employs an almost equal number of women and men.

10. How do we cooperate with the EU member states' supreme audit institutions?

The Treaty on the functioning of the EU requires the ECA and member states' supreme audit institutions (SAIs) to **cooperate in a spirit of trust**, while maintaining their independence.

We cooperate with member states mainly within the framework of the Contact Committee of the EU SAIs. This Committee provides a platform for SAIs to exchange experiences and methodological approaches across several working groups and networks. The Heads of EU SAIs meet once a year to discuss topical and commonly relevant issues. For further information, please visit the [website of the EU Contact Committee](#).

11. How do we contribute towards fight against fraud?

As the EU's external auditor, **we do not have a mandate to investigate cases of suspected fraud**. Therefore, our audits are not specifically designed to detect fraud. However, when our auditors identify cases where we suspect that fraudulent activity may have taken place, we have an obligation to report those cases to the competent authorities.

Where we find cases of suspected fraud, we report them to **the European Anti-Fraud Office (OLAF)**, the Commission department responsible for investigating suspected cases of fraud and corruption, and where applicable, to **the European Public Prosecutor's Office (EPPO)**, the EU's independent office which investigates and prosecutes crimes affecting the EU's financial interests, together with any relevant information and evidence.

In 2023, we reported 19 cases of suspected fraud to OLAF from our audit work. 17 of those cases were also reported to the EPPO. Our annual report on the EU budget provides additional information on the nature of suspected fraud cases and, where applicable and/or available, on the subsequent financial recoveries recommended by OLAF.

12. Where can you find more information on the ECA?

You can find further information about our work and results on our [website](#).

Should you wish to **contact the ECA**, please send an email to us at ECA-InstitutionalRelations@eca.europa.eu.