



DIRECTORATE-GENERAL FOR INTERNAL POLICIES

POLICY DEPARTMENT **D**  
BUDGETARY AFFAIRS

Budgets

Budgetary Control



# Parliamentary Control of Budget Implementation

STUDY





**DIRECTORATE GENERAL FOR INTERNAL POLICIES**

**POLICY DEPARTMENT D: BUDGETARY AFFAIRS**

# **PARLIAMENTARY CONTROL OF BUDGET IMPLEMENTATION**

**STUDY**

## **Abstract**

This study aims to describe control of the EU budget exercised by the European Parliament, in particular ex-post control of the budget after it has been implemented, and to compare it to ex-post control of national budgets carried out by the parliaments of the EU Member States.

The subject is introduced by a brief overview of budgetary control in the different phases of the EU budgetary cycle. The study then focuses on the discharge procedure itself. After considering what this control function consists of, the study presents how parliaments carry it out and provides an overview of the examination of the EU budget by Member States. Subsequently, it identifies prerogatives and roles of other actors involved in the discharge procedure, notably the Supreme Audit Institutions and the Executive. The study closes with a brief presentation of the consequences resulting from exercising budgetary control.

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## EXECUTIVE SUMMARY

All national parliaments in the EU carry out some form of ex-post examination and/or approval of the implementation of the budget. In the European Parliament, and in an increasing number of national parliaments, this task is carried out by a separate body from the committee responsible for adoption of the budget. Like the European Parliament's Committee on Budgetary Control, a number of these budgetary control committees in national parliaments also have the responsibility for the preparation of legislation in the field of public financial management and control and the fight against fraud.

Regarding EU funds spent nationally, these are examined by some national parliaments as part of their examination of the national budget as a whole. In addition, almost half of the Supreme Audit Institutions (SAIs) have taken initiative in drafting reports on the financial management of European funds and almost all SAIs produce separate reports on parts of the European funds spent nationally.

The main body responsible for helping parliaments to examine the national accounts and budget implementation is the SAI. Relations between the SAI and the various parliaments vary widely. Regarding the appointment of SAI members/presidents, while in some Member States the choice is made by the government, in the majority of cases they are chosen by parliament. There is also a significant variation in the length of appointments, which can be for life/to retirement age in certain cases (France, the Netherlands, the UK). While it is more common for the SAIs to decide which audits they will carry out, parliaments in a number of Member States have the right to require the SAI to carry out specific audits. Often, SAI representatives are present during discussions of audit reports to present the results of its controls, to give additional information or answer questions from the Committee members.

Regarding the presentation of audit reports to parliamentary committees, while a number of parliaments follow the same procedure as the European Parliament in channelling all reports through the committee responsible for audit and ex post examination of budget implementation, elsewhere, and particularly where there is no equivalent to the European Parliament's Budgetary Control Committee, the reports are presented to the committee responsible for the policy area under consideration.

Regarding relations with the executive, most parliaments have the right to request further written or oral information during their examination of the implementation of the budget. In the majority of Member States either ministers or officials attend committee meetings for examination. In some, however, both attend. Both Commissioners and senior Commission officials appear before the European Parliament's Committee on Budgetary Control.

Parliamentary decisions concerning ex-post control of budget implementation tend not to have legal consequences but could have, and in certain cases have had, serious political consequences. They may also influence the distribution of funds in future budgets.

In almost all Member States committee reports are publicly available. Committee meetings and hearings are often open to the public and media, but in the majority of Member States the committees can decide to hold meetings in camera.

## ZUSAMMENFASSUNG

Alle nationalen Parlamente in der EU führen ex-post-Überprüfungen des Haushaltsplans aus und/oder billigen dessen Ausführung. Im Europäischen Parlament und einer wachsenden Zahl nationaler Parlamente wird diese Aufgabe von einem von dem für die Annahme des Haushaltsplans zuständigen Ausschusses gesonderten Gremium durchgeführt. Genau wie der Haushaltskontrollausschuss des Europäischen Parlaments tragen auch einige der Haushaltskontrollausschüsse in den nationalen Parlamenten die Verantwortung für die Ausarbeitung von Rechtsvorschriften im Bereich der öffentlichen Finanzverwaltung und Finanzkontrolle und die Betrugsbekämpfung.

Auf nationaler Ebene verwendete EU-Finanzmittel werden von einigen nationalen Parlamenten im Rahmen der Überprüfung ihres nationalen Gesamthaushalts überprüft. Darüber hinaus erstellt fast die Hälfte der obersten Rechnungskontrollbehörden in Eigeninitiative Berichte über die Verwaltung von EU-Finanzmitteln, und fast alle Rechnungskontrollbehörden erstellen gesonderte Berichte über die auf nationaler Ebene verwendeten EU-Mittel.

Bei den obersten Rechnungskontrollbehörden handelt es sich um die wichtigsten Organe zur Unterstützung der nationalen Parlamente bei der Überprüfung ihrer volkswirtschaftlichen Gesamtrechnungen und der Ausführung ihres Haushaltsplans. Die Beziehungen zwischen den Rechnungskontrollbehörden und den verschiedenen nationalen Parlamenten unterscheiden sich stark voneinander. In manchen Mitgliedstaaten erfolgt die Ernennung der Mitglieder/Präsidenten der Rechnungskontrollbehörde durch die Regierung, in der Mehrheit der Mitgliedstaaten jedoch durch die Parlamente. Außerdem variiert die Amtszeit. In manchen Fällen wird sie auf Lebenszeit bzw. bis zum Rentenalter festgelegt (Frankreich, Niederlande, Vereinigtes Königreich). Zwar ist es eher üblich, dass die Rechnungskontrollbehörden selbst entscheiden, welche Überprüfungen sie durchführen, in einigen Mitgliedstaaten können jedoch die Parlamente die Rechnungskontrollbehörde dazu auffordern, gezielte Überprüfungen durchzuführen. Oftmals nehmen Vertreter der Rechnungskontrollbehörde an Verhandlungen über Prüfberichte bei, um die Ergebnisse ihrer Kontrollen vorzulegen, zusätzliche Informationen zu liefern oder Fragen der Mitglieder des Ausschusses zu beantworten.

Was das Vorlegen der Prüfberichte in den parlamentarischen Ausschüssen angeht, verfahren einige Parlamente wie das Europäische Parlament, das heißt, sie leiten alle Berichte an den für die Überprüfung und ex-post-Überprüfung der Ausführung des Haushaltsplans zuständigen Ausschuss weiter. In anderen Parlamenten, insbesondere in solchen, die über keinen dem Haushaltskontrollausschuss des Europäischen Parlaments entsprechenden Ausschuss verfügen, werden die Berichte dem für den jeweiligen Politikbereich zuständigen Ausschuss vorgelegt.

In Bezug auf die Beziehungen zur Exekutive sind die meisten Parlamente berechtigt, im Zuge der Überprüfung der Ausführung des Haushaltsplans zusätzliche schriftliche oder mündliche Informationen anzufordern. In den meisten Mitgliedstaaten nehmen entweder Minister oder Regierungsbeamte an den die Überprüfung betreffenden Ausschusssitzungen teil. In anderen Mitgliedstaaten nehmen jedoch sowohl Minister als auch Regierungsbeamte teil. Vor dem Haushaltskontrollausschuss des Europäischen Parlaments erscheinen sowohl Kommissionsmitglieder als auch hochrangige Kommissionsbeamte.

Parlamentarische Beschlüsse in Bezug auf die Ex-post-Überprüfung der Ausführung des Haushaltsplans haben in der Regel keine rechtlichen Auswirkungen. Allerdings gab es bereits Fälle, in denen sie ernsthafte politische Konsequenzen nach sich zogen. Außerdem können sie die Mittelverteilung in künftigen Haushaltsplänen beeinflussen.



In fast allen Mitgliedstaaten werden Ausschussberichte veröffentlicht. Ausschusssitzungen und Anhörungen sind zumeist für die Öffentlichkeit und die Medien zugänglich, aber in der Mehrheit der Mitgliedstaaten können die Ausschüsse entscheiden Sitzungen unter Ausschluss der Öffentlichkeit abzuhalten.

## SYNTHESE

Tous les parlements nationaux des États membres procèdent à une évaluation ex post et/ou à l'approbation de l'exécution du budget. Au Parlement européen, et dans un nombre croissant de parlements nationaux, cette tâche incombe à un organisme autre que la commission responsable de l'arrêt du budget. À l'instar de la commission du contrôle budgétaire du Parlement européen, certaines des commissions des parlements nationaux chargées du contrôle budgétaire ont également pour tâche de préparer des textes de lois sur la gestion et le contrôle des finances publiques ainsi que sur la lutte antifraude.

Dans le cas de certains parlements nationaux, l'utilisation des fonds européens par les États membres est évaluée dans le cadre de leur examen du budget national. Par ailleurs, près de la moitié des institutions supérieures de contrôle (ISC) ont pris l'initiative de rédiger des rapports sur la gestion financière des fonds de l'Union et presque toutes ont présenté des rapports distincts sur une partie des fonds européens dépensés par les États membres.

Les ISC sont les principaux organismes chargés d'assister les parlements nationaux dans leur contrôle des comptes nationaux et de l'exécution du budget. Les relations entre ISC et parlement diffèrent sensiblement d'un État membre à l'autre. Dans la majorité des cas, les présidents et les membres des ISC sont nommés par les parlements nationaux, bien que cette tâche soit accomplie par le gouvernement dans certains États membres. La durée des mandats varie aussi considérablement: certains membres peuvent être nommés à vie ou jusqu'à leur retraite (en France, aux Pays-Bas ou au Royaume-Uni). En principe, les ISC déterminent elles-mêmes les contrôles qu'elles effectuent, mais les parlements de certains États membres peuvent aussi leur demander de réaliser des contrôles spécifiques. Souvent, des représentants des ISC assistent à l'examen des rapports d'audit pour présenter les résultats de leurs travaux, pour fournir des informations complémentaires ou pour répondre aux questions des membres de la commission.

En ce qui concerne la présentation des rapports d'audit aux commissions parlementaires, même si un certain nombre de parlements suivent la même procédure que le Parlement européen et transmettent tous les rapports à la commission responsable du contrôle et de l'exécution du budget, d'autres, notamment ceux qui ne disposent pas d'équivalent à la commission du contrôle budgétaire du Parlement européen, présentent les rapports à la commission en charge du domaine soumis au contrôle.

Sur le plan des relations avec l'exécutif, la plupart des parlements nationaux ont le droit de requérir des informations complémentaires écrites ou orales lors de leur évaluation de l'exécution du budget. Dans la majorité des États membres, ce sont soit des ministres, soit des fonctionnaires gouvernementaux qui assistent aux réunions d'évaluation des commissions, mais dans certains pays, des représentants des deux catégories y prennent part. Au Parlement européen, tant les Commissaires que les hauts fonctionnaires de la Commission assistent aux réunions de la commission du contrôle budgétaire.

Les décisions parlementaires relatives à l'évaluation ex post de l'exécution du budget n'engendrent normalement aucune conséquence juridique mais pourraient avoir, et ont parfois déjà eu, des répercussions politiques majeures. Elles peuvent également influencer la répartition des fonds dans les budgets à venir.

Les rapports des commissions sont rendus publics dans la plupart des États membres. Les réunions des commissions et les auditions sont souvent ouvertes au public et aux médias, mais dans la majorité des États membres, les commissions peuvent opter pour des réunions à huis clos.

## 1. INTRODUCTION

This study was made at the request of the European Parliament's Budgetary Control Committee. Its objective is to describe control of the EU budget exercised by the European Parliament, in particular ex-post control of the budget after it has been implemented, and to compare it to ex-post control of national budgets carried out by the parliaments of the EU Member States.

The study is based on the earlier draft (manuscript completed in March 2009) drawing on the replies to a European Parliament questionnaire gathered by the European Centre for Parliamentary Research and Documentation from its national correspondents in 2007<sup>1</sup>. Based on this information, additional follow-up questions were sent to the national authorities in order to update and complete the study. A summary of the replies, and practice regarding the EU budget, is attached in annex. The full text of the replies is available on request<sup>2</sup>. The analysis also draws on research published by Maastricht University<sup>3</sup>, by SIGMA<sup>4</sup>, by the UK National Audit Office<sup>5</sup>, by the Netherlands Court of Auditors<sup>6</sup> and the material contained in the OECD's International Database of Budget Practices and Procedures<sup>7</sup>.

It should be noted that some information on Member States was not available. Blank entries in the tables below represent a lack of information, and should not be interpreted as negative responses. Also, the developments in EU financial management policy require regular updating of the data contained in this report.

The study begins with a brief overview of budgetary control in the different phases of the EU budgetary cycle, from the preparation of the draft budget, through implementation of the budget, to ex-post examination and approval of implementation. Parliamentary control of the EU budget after it has been implemented is known as the discharge procedure. The remaining sections focus on the discharge procedure, considering what this control function consists of, how parliaments carry it out, examination of the EU budget by Member States, other actors involved in the discharge procedure, notably the Supreme Audit Institutions and the Executive, and the consequences resulting from exercising budgetary control.

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<sup>1</sup> A draft summary of the replies to the questionnaire was completed on 3 December 2007 and made available to Members at the 18-19 December 2007 hearing with national parliaments on the role of budgetary control committees in national parliaments. Results from surveys of budgetary control in national parliaments carried out in 1988 and 1997, and a comparative study of parliamentary control of budget implementation released in November 1999 are available on the European Parliament's e-studies site at: <http://www.europarl.europa.eu/activities/committees/studies.do?language=EN>

<sup>2</sup> May be obtained from DG IPOL, Policy Department on Budgetary Affairs.

<sup>3</sup> Buzaljko, K., Kanis, A.M., Tamasan, A., Verkaart, F., (2010) Public Financial Oversight. A comparative analysis of parliamentary committees across Europe. Maastricht University. Publication forthcoming.

<sup>4</sup> SIGMA is a joint initiative of the European Union and the Organisation for Economic Co-operation and Development, principally financed by the EU. See in particular "Relations between Supreme Audit Institutions and Parliamentary Committees", SIGMA Paper No. 33, 2002.

<sup>5</sup> State Audit in the European Union, National Audit Office, 2005.

<sup>6</sup> EU Trend Report 2011, Developments in the financial management of the European Union.

<sup>7</sup> [www.oecd.org/gov/budget/database](http://www.oecd.org/gov/budget/database)

## 2. CONTROL OF THE EU BUDGET AS EXERCISED BY THE EUROPEAN PARLIAMENT

Control of the budget by the Budgetary Authority involves overseeing the European Institutions to verify whether public funds were assigned and implemented in the way they were intended. With the entry into force of the Lisbon Treaty, the Parliament became a true co-legislator for the EU's entire annual budget, deciding on it in close collaboration with the Council.

Parliamentary control takes place throughout the entire budgetary cycle, through the preparation, implementation and ex-post examination and approval of the use of the budget after it has been implemented. This procedure typically takes place over a number of years. The timetable in force for the EU budget is presented in the figure below.

**Figure 1. EU budgetary cycle**

	year	month	
budgetary procedure	n-1	September	Commission submits preliminary draft EU budget for year n to Parliament and Council
		December	Parliament adopts annual budget for year n
	n		EU budget for year n implemented
discharge procedure	n+1	July	Commission submits accounts regarding EU budget for year n to Parliament and Council
		November	European Court of Auditors submits report on the EU budget for year n to Parliament and Council
	n+2	May	Parliament adopts or postpones decisions on closure of accounts
		October	In case of postponement, the EP either grants or refuses discharge; accounts are closed

According to the procedure, before the financial year has started, all EU institutions draw up their estimates for the draft budget, after which the Commission consolidates them and establishes the annual draft budget. The official deadline for submitting the draft budget to the Budgetary Authority - the European Parliament and Council - is 1 September of year n-1 but, in practice, earlier deadlines are applied according to the so-called 'pragmatic calendar'. This takes into account the time for negotiations within the Council and the European Parliament, as well as the conciliation procedure between these institutions, if necessary. The Commission thus presents the draft budget before the end of April/beginning of May each year.

According to the special legislative procedure set by the Treaty, after the Commission has submitted the draft budget, the proposal is discussed by both 'arms' of the budgetary authority and is to be approved by them by 31 December.

In the European Parliament, the first two stages of the budgetary cycle - adoption and implementation - are known as the budgetary procedure. The third stage, which begins after implementation has been completed, is known as the discharge procedure.

The Commission consolidates and finalises the accounts for the budget of year n and submits them to Parliament and Council in July of year n+1. The Court of Auditors examines the implementation of the previous year's annual budget and presents its annual report in November of year n+1 to the Parliament and Council. This marks the beginning of the annual discharge procedure.

The Council studies the Court of Auditors' observations. In January of year n+2, the Committee on Budgets of the Council invites representatives of the Court of Auditors and the Commission to

discuss the various chapters of the Court's annual report. On this basis, the Committee drafts a recommendation on the discharge, which is adopted by the Ecofin Council in February of year n+2.

Parliament's Committee on Budgetary Control is responsible for preparing the plenary votes on the closure of the accounts, on the granting of discharge, and for a resolution accompanying these decisions, taking account of the opinions of the other parliamentary committees and of Council. In this context Commissioners are invited to hearings before the Committee. Votes, which generally take place in May of year n+2, bring the budgetary cycle for the EU budget for year n to an end, unless the decision on discharge is postponed to October.

The remainder of this study contains a comparative analysis of parliamentary control of the budget after it has been implemented, i.e. during the discharge procedure as described in figure 1 above. It begins by considering what ex-post control of budget implementation consists of, then looks at how parliaments organise themselves to carry it out, the role of other actors in the procedure, notably the Supreme Audit Institutions and Executive, and finally the consequences resulting from the fulfilment of this function and transparency of the process.

### **3. WHAT IS EX-POST CONTROL OF BUDGET IMPLEMENTATION?**

Ex-post control of the budget allows parliaments to hold the executive accountable for the use of public resources and promote improvements in their management. Control of the budget after it has been implemented typically involves an examination of the public sector accounts for reliability, accuracy, completeness and conformity with applicable rules/law and an assessment of the extent to which the budget was used for the purposes indicated when the budget was adopted.

Most parliaments also consider the effectiveness and efficiency of public spending, i.e. whether public spending delivered value for money and achieved the intended objectives. In some parliaments, a distinction is made between the implementation of policy and the merits of the policy itself, in others it is not.

As well as examination, in the majority of Member States ex-post budgetary control also involves approval of the implementation of the budget, through approval of the accounts and/or the granting of discharge. Approval of the closure of accounts is a formal procedure which completes the accounting procedure for a particular year. Discharge, however, is political as it allows parliaments to publicly discuss issues arising from an examination of the implementation of the budget and hold those responsible for implementation to account.

The vast majority of EU Member States carry out some form of ex-post control of the implementation of the budget. As the present study shows, most of them carry out an examination and several, including the European Parliament, also vote to close the accounts and/or to approve or refuse discharge to those who were charged with the implementation of the budget.

### **4. HOW DO THE EUROPEAN PARLIAMENT AND NATIONAL PARLIAMENTS ORGANISE THEMSELVES TO CARRY OUT EX-POST CONTROL OF BUDGET IMPLEMENTATION?**

It should be recalled here that blank entries in the tables below and in later sections of this study imply a lack of information, not negative responses.

All Member states carry out some form of discussion on budget implementation after the budget has been implemented. In some Member States, as well as discussions at Committee level, debate also takes place in plenary. See Table 1 below for a complete overview.

**Table 1. Parliamentary examination of the accounts and budget implementation**

COUNTRY	COMMITTEE DISCUSSION	PLENARY DISCUSSION
Austria	✓*	✓
Belgium	✓	✓
Bulgaria	✓	✓
Cyprus	✓	✓
Czech Republic	✓	✓
Denmark	✓	—
Estonia	✓	✓
Finland	✓	✓
France	✓	✓
Germany	✓	✓
Greece	✓	—
Hungary	✓	✓
Ireland	✓	—
Italy	✓	✓
Latvia	✓	✓
Lithuania	✓	✓
Luxembourg	✓	—
Malta	✓	
Netherlands	✓	✓
Poland	✓	✓
Portugal	✓	✓
Romania	✓	✓
Slovakia	✓	✓
Slovenia	✓	✓
Spain	✓	✓
Sweden	✓	✓
United Kingdom	✓	—
EU	✓	✓

\* ✓ yes; — no; blank spaces represent the lack of information

The picture is more mixed regarding parliamentary decisions on closure of accounts and discharge. While in the vast majority of Member States for which we have information, there is a decision on the closure of accounts, a discharge decision appears to be somewhat less widespread.

**Table 2. Parliamentary approval of the accounts and budget implementation**

COUNTRY**	CLOSURE OF ACCOUNTS	DISCHARGE
Austria	✓*	—
Belgium	✓	✓
Bulgaria	—	—
Cyprus	✓	✓
Czech Republic	✓	✓
Denmark	✓	✓
Finland	—	—
France	✓	✓
Germany	✓	✓
Greece	✓	✓
Hungary	✓	
Ireland	✓	✓
Italy	✓	✓
Latvia	✓	✓
Lithuania	✓	✓
Luxembourg	✓	✓
Netherlands	✓	✓
Poland	✓	✓
Portugal	✓	✓
Romania	✓	✓
Slovakia	✓	—
Slovenia	✓	—
Spain	✓	—
Sweden	✓	
United Kingdom	—	—
EU	✓	✓

\* ✓ yes; — no; blank spaces represent the lack of information

\*\* Due to the lack of data, Estonia and Malta are not covered.



#### 4.1. PARLIAMENTARY BODIES RESPONSIBLE FOR BUDGETARY CONTROL

Following the adoption of the Treaty of Luxembourg on 21 April 1970 in which the European Parliament was made jointly responsible (with Council) for the discharge of the EU budget, the Committee on Budgetary Control (Cocobu) was created in 1973, initially as a subcommittee of the Committee on Budgets. It has been a full committee since the first direct elections in 1979. Since the Treaty of Brussels of 1975, the decision to grant or refuse discharge belongs to the Parliament alone, acting on the Council's recommendation. In line with the European Parliament's Rules of Procedure<sup>8</sup>, consideration of the reports of the European Court of Auditors is carried out by the Committee on Budgetary Control.

In the Member States, an increasing number of parliaments have also separated the responsibility for preparing and overseeing the implementation of the budget from the control of the budget after it has been implemented. In 7 national parliaments (Bulgaria, France, Hungary, Italy, Portugal<sup>9</sup>, Romania, Slovakia) adoption, control of implementation, and ex-post control is carried out by the same body, and in a further 2 (Belgium and Germany) ex-post control is carried out in a subcommittee of the committee responsible for the adoption of the annual budget. In the vast majority of national parliaments, however, the bodies responsible for control of the budget before and during implementation are now also separate from the bodies responsible for control carried out after implementation. In the Czech Republic, Lithuania and Poland<sup>10</sup> ex-post budgetary oversight takes place both in the budget committee and in the committee equivalent to the Cocobu.

Where there is no equivalent to the European Parliament's Budgetary Control Committee, the SAI also reports to the standing committees responsible for the subject matter examined (Sweden). What is more, in half of the countries in the EU, the committee dealing with audit reports involves the responsible standing committee in exercising financial oversight. Table 3 below provides a complete overview of the types of committees where SAI reports are discussed in European Member States.

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<sup>8</sup> Annex VI, paragraph V, subparagraph 6.

<sup>9</sup> In Portugal, the responsibility for discussing and voting the State Budget, and the responsibility for controlling its execution were separated between two different committees until 2005, when the two committees were unified.

<sup>10</sup> The Polish State Control Committee considers only appropriate parts of the report on the implementation of the Budget – related to the budget of the Supreme Audit Office and the State Inspectorate of Labour. To that extent, the main responsibility for carrying out ex-post control lies with the responsible (branch) standing committees and the Public Finances Committee that plays a coordinating role in this process.

**Table 3. Types of committees where SAI reports are discussed**

COUNTRY	COCOBU EQUIVALENT	BUDGET COMMITTEE	SUBCOMMITTEE OF BUDGET COMMITTEE	RESPONSIBLE STANDING COMMITTEE
Austria	✓*	-	✓	-
Belgium	-	✓	✓	✓
Bulgaria	-	✓	✓	-
Cyprus	✓	-	-	-
Czech Republic	✓	✓	✓(ad hoc)	✓
Denmark	✓	✓	-	✓
Estonia	✓	-	-	✓
Finland	✓	-	-	-
France	-	✓	✓(ad hoc)	-
Germany	-	✓	✓	-
Greece	✓	-	-	-
Hungary	-	✓	✓	✓
Ireland	✓	-	-	-
Italy	-	✓	✓	✓
Latvia	✓	-	-	-
Lithuania	✓	✓	-	✓
Luxembourg	✓	-	-	-
Malta	✓	-	-	-
Netherlands	✓	-	-	✓
Poland	✓	✓	✓(ad hoc)	✓
Portugal	-	✓	-	✓
Romania	-	✓	✓	-
Slovakia	-	✓	✓(ad hoc)	✓
Slovenia	✓	-	-	✓
Spain	✓	-	-	-
Sweden	-	-	-	✓
United Kingdom	✓	-	-	✓
EU	✓	-	-	✓

\* ✓ yes; — no; blank spaces represent the lack of information

The body responsible for ex-post control of the budget on behalf of the parliament in Denmark, the Public Accounts Committee, is in fact not a parliamentary body. Formally, thus, its findings and recommendations have to be transmitted to parliament through the Finance Committee. The parliamentary bodies responsible for dealing with the SAI annual reports on the accounts and implementation of the national budget are listed in table 4 below.

**Table 4. Parliamentary bodies responsible for budgetary control**

COUNTRY	BODY RESPONSIBLE FOR PREPARING AND OVERSEEING IMPLEMENTATION OF ANNUAL BUDGET	BODY RESPONSIBLE FOR EX-POST EXAMINATION OF IMPLEMENTATION OF ANNUAL BUDGET
<b>Austria</b>	Budget Committee	Court of Audit Committee (+ subcommittee)
<b>Belgium</b>	Finance and Budget Committee (ex-post examination carried out in subcommittee)	
<b>Bulgaria</b>	Budget and Finance Committee	
<b>Cyprus</b>	Committee on Financial and Budgetary Affairs	Committee on Development Plans and Public Expenditure Control
<b>Czech Republic</b>	Budget Committee	Budgetary Control Committee
<b>Denmark</b>	Finance Committee	Public Accounts Committee*
<b>Estonia</b>	Finance Committee	State Budget Control Select Committee
<b>Finland</b>	Finance Committee	Audit Committee
<b>France</b>	Public Finance Committee (ex-post examination also carried out in subcommittee: Evaluation and Control Mission)	
<b>Germany</b>	Budget Committee (ex-post examination carried out in subcommittee)	
<b>Greece</b>	Economic Affairs Committee	Committee on the Financial Statement and the General Balance Sheet and the implementation of the State Budget
<b>Hungary</b>	Budget and Finance Committee	Standing Committee on the Audit Office
<b>Ireland</b>	Committee on Finance, Public Service and Reform (Select Sub-Committee on Finance).	Committee of Public Accounts
<b>Italy</b>	Budget, Treasury and Planning Committee	
<b>Latvia</b>	Budget and Finance (Taxation) Committee	Public Expenditure and Audit Committee
<b>Lithuania</b>	Committee on Budget and Finance	Committee on Audit
<b>Luxembourg</b>	Committee on Finance and Budget	Committee on Control of Budget Implementation
<b>Malta</b>		Public Accounts Committee
<b>Netherlands</b>	Finance Committee	Public Expenditure Committee
<b>Poland</b>	Public Finances Committee	
<b>Portugal</b>	Budget, Finance and Public Administration Committee	
<b>Romania</b>	Committees for Budget, Finances and Banks of both Chambers	
<b>Slovakia</b>	Committee on Finance and Budget	
<b>Slovenia</b>	Committee on Finance and Monetary Policy	Commission for Public Finance Control
<b>Spain</b>	Budget Committee	Joint Committee of both Chambers responsible for relations with the Court of Auditors
<b>Sweden</b>	Committee on Finance	All sectoral committees
<b>United Kingdom</b>	Treasury Committee	Public Accounts Committee
<b>EU</b>	Committee on Budgets	Committee on Budgetary Control

\* not a parliamentary committee

## 4.2. EXAMINATIONS CARRIED OUT BY PARLIAMENTARY BODIES RESPONSIBLE FOR EX POST CONTROL OF BUDGET IMPLEMENTATION

In order to assess the implementation of the budget, Parliaments typically examine the annual accounts and a report on the accounts prepared by the supreme audit institution. Some Parliaments also examine information provided by governments, either in writing or orally. The basic material used by the European Parliament is summarised in the figure below. For an overview of the mechanism used by national parliaments to hold the Executive to account, see section 2.4.2.

**Figure 2. Basic documents used by the European Parliament in ex-post control of budget implementation**

<b>Annual Accounts</b>	<i>Consolidated accounts covering spending and revenue of all EU institutions and bodies and a financial statement of assets and liabilities, submitted by the Commission.</i>
<b>Annual Report on Budgetary and Financial Management</b>	<i>Commentary on the accounts, submitted by the Commission.</i>
<b>Annual Report of the European Court of Auditors</b>	<i>External audit of the EU budget, including a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions.</i>
<b>Special Reports of the European Court of Auditors</b>	<i>The special reports of the ECA tend to also look at performance, achievement of objectives etc.</i>
<b>Annual Financial Report</b>	<i>This Commission report provides a summary of revenue and spending, according to the policy areas into which the budget is divided and by Member State.</i>
<b>Annual Activity Reports of the Commission DGs and Services</b>	<i>Every Commission DG and Service prepares an annual report describing its achievements and use of resources.</i>
<b>Annual Synthesis Report</b>	<i>The Commission prepares a summary of the various activity reports.</i>
<b>Annual Follow-up Report</b>	<i>The Commission reports on the extent to which comments accompanying previous discharge resolutions have been acted upon.</i>
<b>Annual report on Internal Audits</b>	<i>The Commission submits a summary of the internal audit reports it has received.</i>
<b>Council's recommendation on the discharge</b>	<i>Council examines the above documents and submits to Parliament a recommendation accompanied by comments regarding the granting of discharge.</i>

Further material may be requested, if considered necessary, by the European Parliament, which the Commission is required by Treaty<sup>11</sup> to submit. In recent years this has included responses to written questions by Commissioners, and oral hearings of Commissioners in committee meetings. Note that the European Parliament carries out separate discharge exercises for its own budget, for the budgets of the other EU institutions (Council, Court of Auditors, Court of Justice, Economic and Social Committee, Committee of the Regions, European Ombudsman and the European Data Protection Supervisor) and EU agencies. It may require attendance for examination of representatives of any or all of these bodies, in addition to written documentation analogous to the main documents regarding the Commission's budget provided by the Commission and the Court of Auditors. The European Parliament also carries out a separate discharge of the budget of the European Development Fund.

<sup>11</sup> TFEU article 319 (2).

### **4.3. OTHER COMPETENCES OF PARLIAMENTARY BODIES RESPONSIBLE FOR EX-POST CONTROL OF BUDGET IMPLEMENTATION**

A number of parliamentary bodies responsible for the ex-post control of budget implementation also have other tasks. Given the importance of the reports and expertise of the SAIs in helping them carry out their primary function, many of these bodies are also the main parliamentary body in charge of relations with the SAIs. This responsibility can include consideration of the SAIs work plan and activity report, its budget, legislation concerning the SAI and membership of the SAI. In section 6.1.2 of this report an overview of committee competences concerning SAI is provided.

Another task many of the committees responsible for ex-post budgetary control may carry out is the preparation of relevant legislation in the field of financial management and control. However, in some cases this task lies with the committee responsible for ex-ante budgetary control. A number of committees are also responsible for the fight against fraud.

The Committee on Budgetary Control of the European Parliament is responsible for all these tasks.

**Table 5. Other competences of parliamentary bodies responsible for ex-post control of budget implementation**

COUNTRY	RELATIONS WITH SAI*	RELEVANT LEGISLATION
Austria	✓**	—
Belgium	✓	✓
Bulgaria		—
Cyprus	✓	✓
Czech Republic	✓	✓
Denmark	✓	—
Estonia	✓	—
Finland	✓	—
France	✓	✓
Germany	✓	✓
Greece	✓	
Hungary	✓	
Ireland	✓	—
Italy	✓	✓
Latvia	✓	✓
Lithuania	✓	✓
Luxembourg	✓	—
Malta	✓	
Netherlands	✓	✓
Poland	✓	✓
Portugal	✓	✓
Romania	✓	✓
Slovakia	✓	✓
Slovenia	✓	—
Spain	✓	—
Sweden	—	—
United Kingdom	✓	—
EU	✓	✓
* membership, related legislation, budgets, workplan/activity report, requests for audits		
** ✓ yes; — no; blank spaces represent the lack of information		

## **5. EX-POST EXAMINATION BY MEMBER STATES OF THE IMPLEMENTATION OF THE EU BUDGET**

Because EU funds spent by the Member States will appear in the national accounts, an examination of the national budget will necessarily include examination of such funds. Since 2007, all Member States are obliged to submit an annual summary to the Commission for the funds that are implemented through shared management<sup>12</sup>. In addition to the annual summaries, Member States can submit national declarations to account for the EU funds received to implement EU programs. Member State governments are not obliged to submit such a declaration and it takes place solely on a voluntary basis. In 2010, four Member States (Denmark, the Netherlands, Sweden and the United Kingdom) submitted national declarations on the implementation of European funds, either on behalf of the national government or of the SAI. Table 6 below depicts how national SAIs and parliaments contribute to controlling EU funds.

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<sup>12</sup> Article 53b(3) of the Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities as amended by Council Regulation (EC, Euratom) No 1995/2006 of 13 December 2006.



**Table 6. Examination of the implementation of the EU budget in Member States**

COUNTRY	ANNUAL SUMMARIES SEND TO COMMISSION?	MEMBER STATE DECLARATION ON THE USE OF EU FUNDS?	SAI PRODUCES SEPARATE REPORT ON EU-FINANCIAL MANAGEMENT IN MEMBER STATE	SAI REPORTS ON PARTS OF EU FUNDS SPEND NATIONALLY IN FINANCIAL ANNUAL REPORT	EU FUNDS EXAMINED BY NATIONAL PARLIAMENT?
Austria	✓*	—	✓	✓	—
Belgium	✓	—	—	—	—
Bulgaria	✓	—	—	✓	
Cyprus	✓	—	✓	✓	✓
Czech Republic	✓	—	✓	✓	—
Denmark	✓	✓	✓	✓	✓
Estonia	✓	—	—	—	✓
Finland	✓	—	—	✓	✓
France	✓	—	—		
Germany	✓	—	✓	—	—
Greece	✓	—	—**	✓	—
Hungary	✓	—	✓	✓	—
Ireland	✓	—	—	✓	
Italy	✓	—	✓	—	—
Latvia	✓	—	✓	—	
Lithuania	✓	—	✓	—	✓
Luxembourg	✓	—	—	—	
Malta	✓	—	—	✓	✓
Netherlands	✓	✓	✓	—	✓
Poland	✓	—	—	✓	✓
Portugal	✓	—	—	✓	✓
Romania	✓	—	—	✓	—
Slovakia	✓	—	✓	✓	—
Slovenia	✓	—	✓	✓	✓
Spain	✓	—	—	—	—
Sweden	✓	✓	—	✓	✓
United Kingdom	✓	✓	✓	—	✓

\* ✓ yes; — no; blank spaces represent the lack of information

\*\* Greek SAI includes in its annual report a special reference to the department in charge of examination of EU funds management

Almost half of the SAIs has taken initiative in drafting up reports on the financial management of European funds and almost all SAIs produce separate reports on the parts of the European funds spent nationally.

The audit courts of Austria, Germany and the Netherlands also report on the implementation of the EU budget as a whole, i.e. including in other Member States and third countries. The National Audit Office of the United Kingdom also reports to Parliament on the ECA annual report on the implementation of the EU budget as a whole. In Portugal, an annual hearing on the execution of the EU budget is organised, with the participation of the ECA President and based on the ECA annual report. Lastly, the Danish Auditor General's Office forwards a memorandum to the Public Accounts Committee on the European Parliament's decision on discharge for the implementation of EU's general budget in a financial year.

## **6. OTHER ACTORS INVOLVED IN EX-POST CONTROL OF BUDGET IMPLEMENTATION**

This section specifically covers the roles of the Supreme Audit Institutions and of the Executive.

### **6.1. SUPREME AUDIT INSTITUTIONS**

This section focuses on the powers of the SAIs, and their relationship with the parliaments of the European Union.

#### **6.1.1. Powers of the SAIs**

All supreme audit institutions are empowered to audit the national accounts. Some restrict themselves to examining the accounts of central government, whereas others are also responsible for auditing the accounts of local government bodies and/or public agencies or other public bodies<sup>13</sup>. Some SAIs also have the right to examine the accounts of private individuals in receipt of public funds.

In addition to auditing, some SAIs also carry out other tasks, as specified in table 7 below. Most SAIs give opinions on the financial management aspects of government bills. The SAIs in seven Member States (Belgium, France, Greece, Italy, Lithuania, Portugal and Spain) have quasi-judicial powers. This gives them the right to prosecute those suspected of misusing public funds. The SAIs take legally binding decisions requiring repayment, with interest, of funds it judges to have been used illegally. The auditee is usually an individual but there can also be collective responsibility. Individuals are often not insured against losses occurring in the course of their work. However, the auditee has a right of appeal against the decisions of the Court. Suspicions of criminal acts tend to be referred to the criminal authorities.

In addition to judicial powers, some SAIs have financial powers. In Ireland and the UK the head of the SAI, in addition to being Auditor General, also acts as Comptroller, authorising the release of exchequer funds. On the other hand, the head of the Hungarian SAI has the power to freeze funds for investment projects if inefficiency and irregularity in their use is uncovered.

Initially, the SAI in Romania had judicial powers and even financial prosecuting attorneys. However, since the law governing the status and activity of the court, Law no. 94/1992, was amended in 2008 the court no longer has judicial power. Nevertheless, the Court still can suspend measures contrary to financial, accounting or fiscal legal provisions, block illegal or inefficient use of budgetary or social funds, remove financial irregularities and correct accounts.

Lastly, if an audited body or individual fails to cooperate, the SAI's of the Czech Republic, Poland and Slovakia have the power to impose a financial sanction. These sanctions can be levied repeatedly if cooperation is not forthcoming within a time period defined by the auditors.

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<sup>13</sup> A comparative analysis of types of audit carried out by the SAIs (eg financial audit, compliance audit, performance audit, etc), and the coverage of these audits (e.g. central government, local government, agencies, public enterprises, etc) may be found in "State Audit in the European Union", published by the National Audit Office.

**Table 7. Powers of the Supreme Audit Institutions**

COUNTRY	GIVES OPINION ON BILLS	JUDICIAL POWERS	FINANCIAL POWERS
<b>Austria</b>	✓*	—	—
<b>Belgium</b>	✓	✓	can oblige return of misused funds
<b>Bulgaria</b>	✓	—	—
<b>Cyprus</b>		—	—
<b>Czech Republic</b>	✓	—	it can impose financial sanctions if auditee does not cooperate
<b>Denmark</b>	—	—	—
<b>Estonia</b>	✓	—	—
<b>Finland</b>	—	—	—
<b>France</b>	—	✓	it can impose fines and oblige return of misused funds
<b>Germany</b>	✓	—	—
<b>Greece</b>	✓	✓	it can impose fines and oblige return of misused funds
<b>Hungary</b>	✓	—	can freeze funds
<b>Ireland</b>	—	—	authorises release of funds
<b>Italy</b>	may be heard	✓	can oblige return of misused funds
<b>Latvia</b>	✓	—	—
<b>Lithuania</b>	✓	✓	can oblige return of misused funds
<b>Luxembourg</b>	✓	—	—
<b>Malta</b>	✓	—	—
<b>Netherlands</b>	✓	—	—
<b>Poland</b>	✓	—	it can impose financial sanctions if auditee does not cooperate
<b>Portugal</b>	✓	✓	can impose sanctions and oblige return of misused funds
<b>Romania</b>	✓	—	can block funds and correct accounts
<b>Slovakia</b>	✓	—	it can impose a penalty if auditee does not cooperate
<b>Slovenia</b>	✓	—	—
<b>Spain</b>	✓	✓	can oblige return of misused funds
<b>Sweden</b>	✓	—	—
<b>United Kingdom</b>	—	—	authorises release of funds
<b>EU</b>	✓	—	—

\* ✓ yes; — no; blank spaces represent the lack of information

### 6.1.2. Relationship between the SAIs and Parliament

Generally, the SAIs are considered as independent both from parliament and government in the Member States. This independence is underlined with the appointment for life/until retirement age of the head of the SAI in some Member States (e.g. in France, Ireland, Italy, the Netherlands and the UK). Elsewhere the length of appointment of members and the head of the SAI varies between 3 and 12 years, renewable in some cases. Table 8 below shows how SAI presidents and members get appointed.

**Table 8. Appointment of Supreme Audit Institution members and presidents**

COUNTRY**	MEMBERS APPOINTED BY	PRESIDENT APPOINTED BY	TERM OF OFFICE
<b>Austria</b>	n/a*	Parliament	president 12 years
<b>Belgium</b>	Parliament	Parliament	members 6 years renewable
<b>Cyprus</b>	n/a*	President and Vice-President of the Republic appoint	until 68 years of age
<b>Czech Republic</b>	President of the SAI proposes and Parliament elects	Parliament decides and President of Republic appoints	President 9 years
<b>Denmark</b>	n/a*	Parliament	6+4 years non renewable
<b>Estonia</b>	n/a*	President of Republic proposes and parliament appoints	president 5 years renewable
<b>Finland</b>	n/a*	Parliament	president 6 years renewable
<b>France</b>	Government	Government proposes and President of Republic appoints	retirement age limit
<b>Germany</b>	President of SAI proposes and President of Republic appoints	Parliament decides and President of Republic appoints	12 years or until retirement age if earlier
<b>Greece</b>	n/a*	Government	
<b>Hungary</b>	n/a*	Parliament	president 12 years renewable
<b>Ireland</b>	n/a*	Parliament decides and President of Republic appoints	retirement age limit
<b>Italy</b>	Public selection and Government	Government proposes and President of Republic appoints	retirement age limit
<b>Latvia</b>	President of the SAI proposes and Parliament approves	Members propose and Parliament appoints	President and members 4 years
<b>Lithuania</b>	n/a*	President of the Republic recommends and Parliament appoints	5 years renewable
<b>Luxembourg</b>	Parliament decides and Grand Duke appoints	Parliament decides and Grand Duke appoints	members 6 years renewable
<b>Malta</b>	n/a*	Parliament	president 5 years renewable
<b>Netherlands</b>	Parliament proposes and Government appoints	Parliament proposes and Government appoints	life
<b>Poland</b>	President of SAI proposes and Parliament appoints	Parliament	President 6 years renewable once
<b>Portugal</b>	President of SAI appoints after public competition	Government proposes and President of Republic appoints	president 4 years renewable
<b>Romania</b>	Parliament	Parliament	9 years
<b>Slovakia</b>	n/a*	Parliament	president 7 years

<b>Slovenia</b>	President of the Republic proposes and Parliament appoints	President of the Republic proposes and Parliament appoints	9 years
<b>Spain</b>	Parliament	SAI members choose among themselves and the King appoints	member 9 years renewable, president 3 years
<b>Sweden</b>	Parliament	n/a	7 years, no re-appointment
<b>United Kingdom</b>	n/a*	Parliament decides and Queen appoints	life
<b>EU</b>	Council appoints after consultation Parliament	Members	6 years renewable, President 3 years renewable

\* n/a: the SAI is led by one Auditor General or President

\*\* Due to the lack of data, Bulgaria is not covered

Some SAIs in Member States are led by a single president, called an Auditor General. Other SAIs have more members on the governing board who direct audit activities jointly. In the latter case, a president is often appointed among the members of the board. In the UK, the head of the SAI is supported by established public officials; there are no members as such.

Members of the European Court of Auditors are appointed by Council after consulting the European Parliament. In some Member States, the President and Members of the SAIs are chosen by government or the President of the Republic. In the majority of cases, however, they are chosen by Parliament. The European Court of Auditors and Tribunal de Cuentas in Spain are the only SAIs that elect their presidents from among their members.

There are considerable variations in the extent to which parliaments involve themselves in the work of the SAI. Parliaments may suggest issues they consider worth investigating to the SAIs, and in some cases are actively encouraged to submit proposals. However, while in a number of Member States the SAIs are obliged to comply with such requests, it is more common for the SAI to, at least, have the formal right to decide whether or not to comply with such requests (see Table 9 for an overview).

In Hungary and Poland, the SAI may also carry out audits at the request of government. However, the SAI has the freedom to select audit subjects on which it wishes to report.

**Table 9. Relationships between Supreme Audit Institutions and Parliament**

COUNTRY	PARLIAMENT CAN INSTRUCT SAI (TO CARRY OUT AUDITS)	SAI HAS TO COMPLY WITH REQUEST	SAI REPRESENTATIVES ARE PRESENT AT COMMITTEE MEETINGS
Austria	✓*	✓	✓
Belgium	✓	✓	✓
Bulgaria	✓		
Cyprus	✓	✓	when necessary
Czech Republic	✓	—	✓
Denmark	✓	✓	—
Estonia	✓	—	✓
Finland	✓	—	✓
France	✓	—	✓
Germany	✓	—	✓
Greece	✓	✓	—
Hungary	✓	—	✓
Ireland	✓	—	✓
Italy	✓	—	may be heard
Latvia	—	—	✓
Lithuania	✓	—	✓
Luxembourg	✓	—	✓
Malta	✓	✓	✓
Netherlands	✓	—	✓
Poland	✓	—	✓
Portugal	✓	2 audits per year	✓
Romania	✓	✓	✓
Slovakia	✓	✓	✓
Slovenia	✓	5 audits per year	✓
Spain	✓	—	only the President when presenting SAI reports
Sweden	✓	✓	when presenting reports and during hearings
United Kingdom	✓	—	✓
EU	—	n/a	✓

\* ✓ yes; — no; blank spaces represent the lack of information

### **6.1.3. Participation of SAI President or Members in parliamentary meetings**

The president of the European Court of Auditors attends plenary debates in the European Parliament and the ECA president and members attend debates in the Committee on Budgetary Control. In most countries, SAI representatives are present during discussions of audit reports to present the results of its controls, give additional information or answer questions from the Committee members. SAI representatives are often present when the committee invites representatives of the audited body, who are called as witnesses. Table 9 shows in which countries SAI representatives are present during committee meetings inside the parliament.

The presidents of the SAIs in Ireland and the United Kingdom attend the meetings of the Committee on Public Accounts as permanent witnesses. In the Polish Parliament the president of the SAI attends plenary debates.

## **6.2. THE EXECUTIVE**

In the light of the reports of the SAI, most parliaments seek further information from the executive in the course of their examination of the accounts and the implementation of the budget.

Most Member States require the executive to provide a written response to the audit report. Sometimes such comments are published alongside or as part of the audit report. Sometimes further written information or explanations may be requested. Generally parliaments have the right to demand any material considered necessary, within fixed deadlines. In a few cases, when the responses of the Executive are not adequate, they are also debated in Plenary.

Parliaments can also require oral explanations and clarifications. In Austria, Belgium, Luxembourg, the Netherlands and Portugal government ministers appear at committee hearings, while in other countries senior officials are called for examination. In some countries both Ministers and officials appear. This is in line with procedure in the European Parliament where both Commissioners and senior Commission officials are questioned by the Committee on Budgetary Control, which the Commission's Accountant attends as a permanent witness.

In a number of Member States the executive is also required to submit a follow-up report, as is the European Commission, detailing the extent to which recommendations made during the ex-post control of budget implementation procedure have been implemented. In other cases, however, it is the SAI or the Parliament that produce follow-up reports. Table 10 below depicts the role of the executive in ex-post control of budget implementation in the Member States.



Table 10. Role of the executive in ex-post control of budget implementation

COUNTRY*	PROVIDES WRITTEN RESPONSE TO DISCHARGE REPORT	DEADLINE OR FORMAL TIME FRAME	RESPONSES DEBATED IN PLENARY	ATTENDS COMMITTEE	REPORTS ON IMPLEMENTATION OF RECOMMENDATIONS
<b>Austria</b>	yes		yes, debate on committee report	Ministers and officials	yes (by SAI)
<b>Belgium</b>	yes	no	no	Ministers	no
<b>Cyprus</b>	yes	no	only on request	Ministers and officials	yes
<b>Czech Republic</b>	yes	1 month	only on request	officials	yes
<b>Denmark</b>	yes	2-4 months	Only when responses not adequate	no	yes (by SAI)
<b>Estonia</b>	yes	1 month	yes	officials	yes (by SAI and Parliament)
<b>Finland</b>	yes	no	yes	Ministers and officials	yes (by SAI)
<b>France</b>	yes	2 months	no	Ministers and officials	yes (by SAI)
<b>Germany</b>	yes	no	no	officials	yes (by SAI)
<b>Greece</b>	yes	3 months		no	no
<b>Hungary</b>	yes, but not obliged			Ministers and officials	yes (by SAI)
<b>Ireland</b>	yes	no	no	Ministers and officials	no
<b>Italy</b>	yes	depends on recommendation	only on request	Ministers	no
<b>Latvia</b>	yes	committee decides		Ministers and officials	yes (by SAI)
<b>Lithuania</b>	yes	4 weeks	Only when responses not adequate	Ministers and officials	
<b>Luxembourg</b>	yes	no	Only when responses not adequate	Ministers	no
<b>Malta</b>	yes	depend on recommendation	no	officials	yes (by SAI)
<b>Netherlands</b>	yes	3-6 weeks	only on request	Ministers	yes (by Parliament)
<b>Poland</b>	yes	short term	rarely	Ministers and officials	yes (by SAI)
<b>Portugal</b>	yes	no	only on request	Ministers and officials	yes (by Parliament)
<b>Romania</b>	no	no	no		yes (by SAI)

<b>Slovakia</b>	yes	1 month	only on request	Ministers and officials	yes (by SAI and Parliament)
<b>Slovenia</b>	yes	committee decides	Only responses when not adequate	Ministers and officials	yes (by SAI)
<b>Spain</b>	yes	6 months	no	Ministers and officials	yes (by SAI)
<b>Sweden</b>	yes	4 months	yes	Ministers and officials	yes (by SAI)
<b>United Kingdom</b>	yes	2 months	no	Ministers and officials	yes
<b>EU</b>	yes	no	yes	Commissioners and officials	yes

\* Due to the lack of data, Bulgaria is not covered

## 7. CONSEQUENCES RESULTING FROM PARLIAMENTARY DECISIONS CONCERNING EX-POST CONTROL OF BUDGET IMPLEMENTATION

The extent to which committees in Member States follow up the debates that have taken place in the committees varies. Most countries have no standard procedure to ensure recommendations are actually put into practice. Yet, some Member States have mechanisms in place to continuously follow up governmental responses and draw attention to the Plenary if an audit matter has not been satisfactorily followed up by a minister (Denmark, Finland, the Netherlands). The European Commission follows up on the points raised in the decisions to grant Commission's discharge, and keeps a register thereof. Table 10 above provides an overview of the Executive's role in the accountability process.

Neither the EU discharge decision nor decisions taken by the parliaments of the Member States would appear to have legal consequences. However, the potential political consequences of adverse findings and/or decisions seem significant. In theory votes of no-confidence in ministers, the Prime Minister or the government could result. In practice, a no-confidence vote would not appear to have taken place in any of the countries analysed. Problems with the management and implementation of the 1996 EU budget did, however, lead to the fall of the Santer Commission in 1999.

Alternatively, problems with the accounts and budgetary management could influence the distribution of funds in future budgets. France is an interesting case here, as the procedures adopted ensure a direct impact on the conclusions of the discharge procedure. The budget bill for the following year cannot be presented until the equivalent of the discharge law (the Settlement Bill) has had its first reading in parliament. During the discussion on the Settlement Bill, the general rapporteur and special rapporteurs comment on the budget execution of each policy area and indicate which obstacles should be overcome in the coming year in front of the Minister concerned. These discussions often result in budgetary amendments to the proposed budget.<sup>14</sup> Furthermore, the link between the conclusions of the discharge procedure and the proposals made during the budget procedure is reinforced by the role of a single general rapporteur, responsible for both reports in a given year.

Contrary to the more political nature of parliamentary budgetary control, some European SAIs hold judicial powers and can initiate legal proceedings against public officials who have mismanaged public funds. For a complete overview on the SAI powers, see table 7 in section 6.1.1.

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<sup>14</sup> For instance, after the debates on the Settlement Bill of 2010 noting an insufficient level of financing in several areas, additional funds were voted for the 2012 budget, for example for external military operations, emergency accommodation for asylum-seekers, and student stipends. Moreover, the general rapporteur proposed the way to achieve the planned reduction of one billion euros in state spending in 2012, and the corresponding amendments were submitted by the government and adopted. The reduction is to be covered in large part (316 million EUR) by imposing a ceiling on the revenues of governmental agencies and other bodies carrying out public functions financed by income from specific taxes, which benefitted from a favourable development of their resources in recent years.

## **7.1. TRANSPARENCY**

An alternative mechanism to enhance public scrutiny of budget implementation is making committee documents, meetings and hearings accessible to the public and media. In almost all Member States, committee reports are publicly available. Committee meetings and hearings are often open to the public and media, but in the majority of Member States the committees can decide to hold meetings in camera when sensitive issues are discussed, e.g. when addressing issues such as national defence, or protecting personal data. In a few countries, committee meetings and hearing can be followed live via web stream.

In the European Parliament meetings and hearings are open to the public and media and can be followed live via the website of the Parliament; however, meetings might also take place in camera. In table 11 below an overview for the European Member States is provided.

Table 11. Transparency

COUNTRY**	ARE COMMITTEE REPORTS FREELY AVAILABLE TO PUBLIC/MEDIA?	ARE MEETINGS AND/OR HEARINGS OF THE COMMITTEE OPEN TO PUBLIC/MEDIA?	ARE TRANSCRIPTS OF MEETINGS FREELY AVAILABLE TO PUBLIC/MEDIA?	ARE TRANSCRIPTS OF HEARINGS FREELY AVAILABLE TO PUBLIC/MEDIA?
Austria	✓*	✓ but sometimes closed	only summaries	only summaries
Belgium	✓	✓ but sometimes closed	—	—
Cyprus	✓	✓ but sometimes closed	—	—
Czech Republic	✓	✓	✓	✓
Denmark	✓	—	—	—
Estonia	✓	✓ but sometimes closed	✓	✓
Finland	✓	—	✓	✓
France	✓	meetings closed, hearings open (but sometimes closed)	✓	✓
Germany	—	no, only on invitation	—	—
Greece	✓	yes	✓	n/a
Hungary	✓	✓ but sometimes closed	✓	✓
Ireland	✓	✓ but sometimes closed	✓	✓
Italy	✓	open to media	✓	✓
Latvia	—	✓ but sometimes closed	upon request	upon request
Lithuania	✓	✓ but sometimes closed	only summaries	—
Luxembourg	—	—	✓	—
Malta	✓	yes	✓	✓
Netherlands	✓	meetings closed, hearings open	✓	✓
Poland	✓	open to media	✓	n/a
Portugal	✓	✓	✓	✓
Romania	✓	✓ but sometimes closed	✓	✓
Slovakia	✓	✓ but sometimes closed	✓	✓
Slovenia	✓	✓ but sometimes closed	✓	✓
Spain	✓	yes	✓	✓
Sweden	—	only hearings	—	✓
United Kingdom	✓	✓	—	✓
EU	✓	✓ but sometimes closed	✓	✓

\* ✓ yes; — no; blank spaces represent the lack of information

\*\* Due to the lack of data, Bulgaria is not covered

## ANNEX 1: PARLIAMENTARY BUDGETARY CONTROL

	WHICH BODIES CONTROL ADOPTION AND IMPLEMENTATION OF NATIONAL BUDGET?	WHICH BODIES CARRY OUT EX POST CONTROL OF IMPLEMENTATION OF NATIONAL BUDGET?	COMPETENCES OF BODIES CARRYING OUT EX-POST CONTROL OF IMPLEMENTATION OF THE BUDGET?	CLOSURE OF ACCOUNTS	DISCHARGE	CLOSURE OF ACCOUNTS/ DISCHARGE EVER REFUSED?	POLITICAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE?	LEGAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE IN PARLIAMENT?
<b>Austria</b>	Budget Committee	Court of Audit Committee (+ subcommittee)	Committee deals with Court of Audit reports and prepares law on the approval of the implementation of the Federal Finances; may, along with Budget Committee, propose laws on management and implementation of the budget; Parliament may instruct standing sub-committee of Court of Audit Committee to investigate a particular event (maximum one at a time) so long as not already under investigation by Court of Audit.	Yes	Yes	Can be		Resolutions or laws may be adopted to correct abuses uncovered, or no-confidence motions against the government or one of its Members may be put to the house by Members of Parliament or via the adoption of a report by the Court of Audit
<b>Belgium</b>	Finance and Budget Committee	Finance and Budget Committee	Control of use of funds and follow-up of Court of Auditor's comments from previous years	Yes	Yes	No	Discharge is of purely political significance.	None
<b>Bulgaria</b>	Budget and Finance Committee	Budget and Finance Committee	Budget Committee prepares report on budget implementation for discussion by National Assembly	No	No		n/a	n/a
<b>Cyprus</b>	Committee on Financial and Budgetary Affairs	Committee on Development Plans and Public Expenditure Control	Committee responsible for monitoring development plans, controlling state expenditure covered by these plans and for examination of Annual Report of the Court of Auditors	Yes				No

	WHICH BODIES CONTROL ADOPTION AND IMPLEMENTATION OF NATIONAL BUDGET?	WHICH BODIES CARRY OUT EX POST CONTROL OF IMPLEMENTATION OF NATIONAL BUDGET?	COMPETENCES OF BODIES CARRYING OUT EX-POST CONTROL OF IMPLEMENTATION OF THE BUDGET?	CLOSURE OF ACCOUNTS	DISCHARGE	CLOSURE OF ACCOUNTS/ DISCHARGE EVER REFUSED?	POLITICAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE?	LEGAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE IN PARLIAMENT?
<b>Czech Republic</b>	Budget Committee	Budgetary Control Committee	Committee prepares draft resolution and closure of accounts decision for Chamber of Deputies, and debates membership of SAO and legislative proposals linked to SAO	Yes	Yes	No. Oversight Committee proposed not approving 2005 accounts but Chamber approved		No
<b>Denmark</b>	Finance Committee	Public Accounts Committee. Members elected for 4 years, not affected by general election, are paid and need not be Members of Parliament.	PAC competences comparable to EP's Budgetary Control Committee but not a parliamentary committee so Finance Committee issues report to Parliament on audit reports and recommends approval of the accounts following recommendations prepared PAC. PAC also makes recommendation concerning NAOD's budget, which is part of parliament's budget.	Yes	Yes	No	Yes, even though accounts are always approved without reservation	Criticisms expressed by the Auditor General and or the Parliament's Public Accounts Committee will in practice not lead to disapproval of the accounts. Problems with the accounts can, however, have legal consequences for the relevant public officials. They can be held responsible with regard to punishment, damages and disciplinary measures

	WHICH BODIES CONTROL ADOPTION AND IMPLEMENTATION OF NATIONAL BUDGET?	WHICH BODIES CARRY OUT EX POST CONTROL OF IMPLEMENTATION OF NATIONAL BUDGET?	COMPETENCES OF BODIES CARRYING OUT EX-POST CONTROL OF IMPLEMENTATION OF THE BUDGET?	CLOSURE OF ACCOUNTS	DISCHARGE	CLOSURE OF ACCOUNTS/ DISCHARGE EVER REFUSED?	POLITICAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE?	LEGAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE IN PARLIAMENT?
<b>Estonia</b>	Finance Committee	State Budget Control Select Committee	Whereas EP budgetary control committee prepares decisions, Estonian equivalent holds discussions. The Committee has the right to make proposals to other committees with regard to the preparation and amendment of legislation. The Finance Committee engages in and is responsible for the legislative proceeding of the budget.					No
<b>Finland</b>	Finance Committee	Newly created Audit Committee (used to be Finance Committee)	Monitors the budget and considers reports dealing with state finances and exercises oversight at own initiative. Legislation relating to control.	No	No		Yes	No
<b>France</b>	Public Finance Committee	Public Finance Committee's subcommittee: Evaluation and Control Mission	The Finance Committee (FC) is responsible for budget preparation and control of execution. The Rapporteur-General (of the total budget) and the Special Rapporteurs (special budget for each mission), produce a report on the draft budget law and a report on the bill settlement. Moreover, the assessment mission and control (MEC) of the CF may also consider, on very specific topics, the consistency between the forecast and budget execution. Since 2009, the Regulation of the National Assembly was amended to create the Committee for evaluation and control of public policies (CEC) responsible for carrying	Yes	Yes	No	Discharge is of purely political significance.	According to the Institutional Law on Finance Laws from August 1, 2001 (LOLF), the finance bill of the year N+1 may not be discussed before an assembly before the passing in first reading of the finance settlement bill of the year N-1.



	WHICH BODIES CONTROL ADOPTION AND IMPLEMENTATION OF NATIONAL BUDGET?	WHICH BODIES CARRY OUT EX POST CONTROL OF IMPLEMENTATION OF NATIONAL BUDGET?	COMPETENCES OF BODIES CARRYING OUT EX-POST CONTROL OF IMPLEMENTATION OF THE BUDGET?	CLOSURE OF ACCOUNTS	DISCHARGE	CLOSURE OF ACCOUNTS/ DISCHARGE EVER REFUSED?	POLITICAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE?	LEGAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE IN PARLIAMENT?
			out assessment work on public policy whose scope is beyond the remit of one standing committee.					
<b>Germany</b>	Budget Committee	Budget Committee's sub-committee on control	control sub-committee submits a decision on each criticism to Budget Committee. Budget Committee submits a report to Parliament summarising recommendations for decision. Control sub-committee examines budget implementation, federal financial and budgetary management and prepares the discharge of the Federal Government.	Yes	Yes	No	Discharge is of purely political significance.	None
<b>Greece</b>	Economic Affairs Committee	Committee on the Financial Statement and the General Balance Sheet and the implementation of the State Budget	Committee prepares a report for debate and adoption by the Chamber of Deputies.	Yes	Yes			No, but SAI has judicial and financial powers
<b>Hungary</b>	Budget and Finance Committee	Standing Committee on the Audit Office	Committee discusses SAO annual audit programme, budget proposal and budget outturn.	Yes				No, but SAI has the financial power to freeze assets and resources for investment projects if it uncovers inefficiency or irregularity.

	WHICH BODIES CONTROL ADOPTION AND IMPLEMENTATION OF NATIONAL BUDGET?	WHICH BODIES CARRY OUT EX POST CONTROL OF IMPLEMENTATION OF NATIONAL BUDGET?	COMPETENCES OF BODIES CARRYING OUT EX-POST CONTROL OF IMPLEMENTATION OF THE BUDGET?	CLOSURE OF ACCOUNTS	DISCHARGE	CLOSURE OF ACCOUNTS/ DISCHARGE EVER REFUSED?	POLITICAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE?	LEGAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE IN PARLIAMENT?
<b>Ireland</b>	Committee on Finance, Public Service and Reform (Select Sub-Committee on Finance).	Committee of Public Accounts: 12 members, none of which may be member of government or minister of state. Chaired by member of the opposition.	PAC examines reports of C&AG on behalf of the Dáil - its competencies are not comparable to CoCobu. PAC does not examine policy and the PAC is not consulted on legislation.	Yes	Yes		If C&AG considers an appropriation not properly chargeable, he may write to Minister or draft report for the Dáil	While legal consequences are outlined as the C&AG has the right to write to the Minister or draft a report to the Parliament, it would be a very serious manner and it may result in pressure on the Government to resign.
<b>Italy</b>	Budget committee	Report on State Budget Accounts goes to Budget Committee; reports on agencies' accounts go to relevant standing committee	Budget Committee responsible for preparing reports on Finance and Budget bills, Budget Review bills and the Accounts, and for evaluating the financial implications of all other bills	Yes	Yes	No	Yes. Government could be censured through proposal for a motion of no-confidence.	No
<b>Latvia</b>	Budget and Finance (Taxation) Committee	Public expenditure and audit committee	PEAC deals with SAO audit reports including follow-up of recommendations, SAO opinions on draft laws, fraud and irregularities in public finances, relations with SAO, appointment of senior officials to SAO.					None. Suspected violations of the law are notified to the legal authorities

	WHICH BODIES CONTROL ADOPTION AND IMPLEMENTATION OF NATIONAL BUDGET?	WHICH BODIES CARRY OUT EX POST CONTROL OF IMPLEMENTATION OF NATIONAL BUDGET?	COMPETENCES OF BODIES CARRYING OUT EX-POST CONTROL OF IMPLEMENTATION OF THE BUDGET?	CLOSURE OF ACCOUNTS	DISCHARGE	CLOSURE OF ACCOUNTS/ DISCHARGE EVER REFUSED?	POLITICAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE?	LEGAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE IN PARLIAMENT?
<b>Lithuania</b>	Committee on Budget and Finance	Committee on Audit	Committee prepares resolution on State Control audit reports and opinions, scrutinises efficiency of State Control, participates in preparation of laws concerning State Control, prepares resolution on State Control activity report, prepares resolutions instructing State Control to perform specific audits, prepares conclusions on the ECA annual report	Yes	Yes	Can be	Vote of no-confidence in Prime Minister or individual Minister	No, but SAI has financial powers to let public officials return misused funds.
<b>Luxembourg</b>	Committee on Finance and Budget	Committee on Control of Budget Implementation		Yes	Yes	No	Discharge is of purely political significance.	None.
<b>Malta</b>		Public Accounts Committee	Scrutiny and assessment of financial administration of public sector; promotion of improvements and efficient and effective use of public resources; enhancement of accountability of the executive					
<b>Netherlands</b>	Finance Committee	State Expenditure Committee is main interlocuter	Budget of Court, along with other High Councils of State, part of budget of Ministry of Home Affairs. Up to State Expenditure Committee to propose amendments. State Expenditure Committee discusses annual report of Court's own work in camera.	Yes	Yes		Discharge is of purely political significance.	No

	WHICH BODIES CONTROL ADOPTION AND IMPLEMENTATION OF NATIONAL BUDGET?	WHICH BODIES CARRY OUT EX POST CONTROL OF IMPLEMENTATION OF NATIONAL BUDGET?	COMPETENCES OF BODIES CARRYING OUT EX-POST CONTROL OF IMPLEMENTATION OF THE BUDGET?	CLOSURE OF ACCOUNTS	DISCHARGE	CLOSURE OF ACCOUNTS/ DISCHARGE EVER REFUSED?	POLITICAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE?	LEGAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE IN PARLIAMENT?
<b>Poland</b>	Public Finances Committee (as a leading committee) and other responsible branch standing committees	Public Finances Committee (as a leading committee) and other responsible branch standing committees	Public Finances Committee is responsible for work on the implementation of State budget as a whole (it prepares a report for the Sejm together with motions to accept or to reject the reports on the implementation of the Budget and other financial plans of the State, or to grant approval to the accounts submitted by the Council of Ministers) These reports are presented at the plenary. All branch committees work on its own parts of the budget assigned to them by the Speaker, and after that they submit their viewpoints to the Public Finances Committee. However, the Public Finances Committee, similar to other branch committees has also to consider its own budget parts, so – to an extent – it acts as a “branch” committee. The State Control Committee considers assigned to it by the Speaker 2 parts of the Budget: the budget of the SAI and the budget of the State Inspectorate of Labour (SIL). It also presents opinions about plans concerning the work of the SAI and SIL, reports on their execution, prepares periodic assessments of the activity pursued by the SAI and SIL, in particular, it analyses	Yes	Yes	Not so far, although there were cases when SAI expressed a negative opinion about some parts of the Budget.	Yes. Can influence distribution of funds in future budgets.	No

	WHICH BODIES CONTROL ADOPTION AND IMPLEMENTATION OF NATIONAL BUDGET?	WHICH BODIES CARRY OUT EX POST CONTROL OF IMPLEMENTATION OF NATIONAL BUDGET?	COMPETENCES OF BODIES CARRYING OUT EX-POST CONTROL OF IMPLEMENTATION OF THE BUDGET?	CLOSURE OF ACCOUNTS	DISCHARGE	CLOSURE OF ACCOUNTS/ DISCHARGE EVER REFUSED?	POLITICAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE?	LEGAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE IN PARLIAMENT?
			the control itself and the realisation of post-control activity. It submits to the Sejm motions for an immediate delivery of information about the results of audits conducted by the SAI and is involved in giving opinions on proposals of the President of the SAI on the appointment and dismissal of its vice-presidents.					
<b>Portugal</b>	Budget, Finance and Public Administration Committee	Budget, Finance and Public Administration Committee	Committee organizes hearings of Ministers, Court of Auditors, Social and Economic Council and Public Finances Council and then prepares a report on the State General Accounts for plenary discussion and vote. It also receives Court's Annual Activity Report and accounts for information. The Committee discusses and votes the general principles and details of the government's bills on major options of the plan, state budget, budget amendments and similar bills. The Committee holds quarterly hearings with the Secretary of State responsible for the Budget to discuss its execution. The Committee is helped in its tasks by the Technical Budget Support Unit (see annex 2).	Yes	Yes	No	Assumption of responsibilities can take place.	No, but SAI has judicial and financial powers to impose financial sanctions

	WHICH BODIES CONTROL ADOPTION AND IMPLEMENTATION OF NATIONAL BUDGET?	WHICH BODIES CARRY OUT EX POST CONTROL OF IMPLEMENTATION OF NATIONAL BUDGET?	COMPETENCES OF BODIES CARRYING OUT EX-POST CONTROL OF IMPLEMENTATION OF THE BUDGET?	CLOSURE OF ACCOUNTS	DISCHARGE	CLOSURE OF ACCOUNTS/ DISCHARGE EVER REFUSED?	POLITICAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE?	LEGAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE IN PARLIAMENT?
<b>Romania</b>	Committees for Budget, Finances and Banks of both Chambers	Committees for Budget, Finances and Banks of both Chambers	Committees examine annual and other audit reports and transmit findings to plenary. The Committee also examines legislative bills and proposals.	Yes	Yes	Can be		No, but SAI has financial powers to block funds and correct accounts
<b>Slovakia</b>	Committee on Finance and Budget	Committee on Finance and Budget	Adoption and implementation of budget and ex-post control, fiscal and monetary policy.	Yes	No			No
<b>Slovenia</b>	Committee on Finance and Monetary Policy	Commission for Public Finance Control	Commission discusses annual financial statement of the state budget together with the Court of Auditors report on it, and the Court of Auditors annual report on its own work, and Court of Auditors reports on the use of EU funds. Prepares report for plenary. Competences similar to Cocobu's, except for appointments to Court of Auditors	Plenary adopts Annual Financial Statement but there is no formal discharge	No	Yes	Vote of no-confidence in Minister, Prime Minister or Government possible	None.
<b>Spain</b>	Budget committee	Joint Committee of both Chambers responsible for relations with the Court of Auditors	Committee prepares an opinion and resolutions on the Court of Auditor's report on the General State Accounts for debate and adoption by both Chambers, or by Congress in the event of disagreement	Yes	No			No, but SAI has judicial powers

	WHICH BODIES CONTROL ADOPTION AND IMPLEMENTATION OF NATIONAL BUDGET?	WHICH BODIES CARRY OUT EX POST CONTROL OF IMPLEMENTATION OF NATIONAL BUDGET?	COMPETENCES OF BODIES CARRYING OUT EX-POST CONTROL OF IMPLEMENTATION OF THE BUDGET?	CLOSURE OF ACCOUNTS	DISCHARGE	CLOSURE OF ACCOUNTS/ DISCHARGE EVER REFUSED?	POLITICAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE?	LEGAL CONSEQUENCES OF PROBLEMS WITH CLOSURE OF ACCOUNTS &/OR DISCHARGE IN PARLIAMENT?
<b>Sweden</b>	Committee on Finance	NAO Advisory Council, composed of Members of Parliament, appointed by Parliament. NAO summary annual report goes to Committee on the Constitution. Other NAO reports may be considered by one or several standing committees.	Advisory Council may make submissions to Parliament concerning NAO audit statements and decisions taken by auditors general. Standing Committees may comment on audit reports and recommend approval or rejection of NAO findings or propose further measures.	Yes			Parliament, Government or audited bodies decide independently on any corrective action to be taken in light of NAO reports.	No
<b>United Kingdom</b>	Treasury Committee	Public Accounts Committee, which is chaired by senior Member of opposition	PAC reports on around 50 NAO reports per year. PAC reports on whether spending in excess of limits authorised by Parliament should be authorised. PAC examines fraud in national budget. PAC reports deal only with administrative matters, not policy.	No	No	n/a	n/a	n/a
<b>EU</b>	EP Committee on Budgets	Committee on EP Budgetary Control	Control of use of funds; fight against fraud; prepares opinion on appointments to Court of Auditors	Yes	Yes	Yes	Can be severe, in most extreme case resulted in fall of the executive (the Commission)	None

## ANNEX 2: OTHER ACTORS INVOLVED IN EX POST CONTROL OF BUDGET IMPLEMENTATION

	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>Austria</b>	Article 122 of the Federal Constitutional Law states that the Rechnungshof is subordinated to the Parliament and acts as its organ. The constitutional and political role of the Rechnungshof has, however, developed significantly since the 1920ies and today, and it acts as the independent SAI today. Its audit work is carried out at federal, provincial and municipality level. Also, it has powers to appeal to the Constitutional Court if a governmental body refuses cooperation. So far, this has not often been the case. The President of the Rechnungshof is present at the PAC and in the Nationalrat (National Council) when the reports are considered. The competent member of the Federal Government is asked to respond to the audit reports at the PAC and in the Nationalrat, representatives of the audited bodies may be heard by the PAC. The Nationalrat can request up to three specific audits from the Rechnungshof	The Rechnungshof produces a draft report of findings, which is submitted to the auditee and any superior agency for comments. These bodies must comment within three months, making known any improvements that have been made. The Annual Report of the Rechnungshof is in two parts with an introduction discussing general problems across the whole of government, followed by the results of audits conducted during the year. Recommendations from previous years are also listed, with an indication of whether or not they have been heeded. The Court of Audit Committee does usually neither provide substantial reports nor recommendations. However, the competent member of the Federal Government will usually be present in committee proceedings and answer questions.
<b>Belgium</b>	Court of audit carries out financial audit, audit of legality and regularity and of sound use of public funds. Court comments on draft annual budget and supplementary budgets to Chamber. Chamber can require Court to carry out specific audits. The Court also fulfills an important function as a budget counsellor by commenting on all budget drafts submitted to the legislative assemblies for approval. The House of Representatives is entitled to instruct the Court of Audit to perform audits of the legality and the regularity of certain expenditure programmes and financial audits in the services and agencies that are subject to its control. Court can require repayment of funds overspent or spent in error.	There is no formal process and also no formal timeframe for the Executive to respond to committee recommendations. Responses are not debated in Plenary. The Government is not required to submit a follow-up report. If the Government doesn't implement the recommendations of the Court of Audit, the Court can formulate the same remarks in his next annual report.
<b>Bulgaria</b>	Audit Office carries out audit of legality, regularity and sound financial management of the budget and other public resources. In addition, the National Assembly can request up to 5 audits per year. Audit Office also gives opinion on the draft budget, on government programmes financed by the budget or guaranteed by the State, and on draft laws related to accountancy and control of the budget and other public resources.	



	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>Cyprus</b>	The Constitution does not establish a formal relationship between the SAI and Parliament. In practice however, a good working relationship and line of communication has been established through the Committee on Development Plans and Public Expenditure Control. Members of the SAI are present at Committee meetings and other parliamentary Committees depending on the subject matter, usually represented by the Auditor General. She carries out financial and value for money (performance) audit. She cooperates closely with Committee on Development Plans and Expenditure Control. Recommendations of Auditor General are not binding or compulsory; cases of suspected fraud reported to the Attorney General	The PAC may require the auditee to come before the Committee to answer questions. Some matters may be taken to Plenary sessions for further debate. Following the Government's response, the Committee can re-examine the matter in further meetings.
<b>Czech Republic</b>	SAO carries out financial audit, audit of legality and regularity and performance audit of state budget and state property and financial resources and gives opinion on closure of accounts. Parliamentary bodies can ask for SAO opinion on budget bill and on bills dealing with accountancy, state statistics, budgetary rules, internal control, inspection and supervision. Where an audited body does not cooperate fully, the SAO can enforce access by imposing financial sanctions on the body concerned and these sanctions can be levied repeatedly if cooperation is not forthcoming within a time period defined by the auditors. President of Office can participate in plenary session of Chamber of Deputies and Senate and their bodies if proposals and standpoints are negotiated which were submitted by the Office. He is obliged to take part in above mentioned sessions if Chamber of Deputies, Senate or their bodies ask for it.	The President of the SAI or every cabinet member or director of another central public administration authority shall forward all information and explanations requested by the committee's resolution within 30 days, unless the committee specifies a longer time limit and unless such information and explanations are subject to confidentiality regulations or their disclosure is prohibited by the law. Only the most serious cases are debated in Plenary. Government authorities required to respond to audit reports and list follow-up measures planned. Government regularly reviews implementation of follow-up. President of SAO regularly invited to attend cabinet meetings to discuss audit findings and follow-up.

	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>Denmark</b>	<p>National Audit Office of Denmark is an independent organisation under authority of Parliament. Parliament appoints Members of the NAOD, which may be Members of Parliament; Auditor-General, appointed by Chairman of Parliament on recommendation of PAC, may not be a Member of Parliament. NAOD carries out financial audit, internal audit, control of appropriations, audit of grants, performance audit. Auditor-General transmits annual and specific reports to Parliament and an annual report of his own activities. He comments on Ministers responses to PAC reports on audit reports. He gives opinion on draft legislation regarding accounting and internal accounting control. PAC may requests audits and NAOD must comply with such requests.</p>	<p>Relevant Ministers, which are both administratively and politically responsible for their departments, are required to respond to Public Accounts Committee reports. The timeframe for the minister’s formal response is mandated to 2-4 months, according to law. It is the duty of the minister to submit a statement to the PAC indicating the considerations and steps to which the report has given rise. The minister’s statement is assessed by the Auditor General. Within one month the Auditor General must submit the PAC his views on the considerations and planned action presented by the minister. The PAC then handles the matter once more. The matter is not closed until the PAC and the Auditor General are satisfied – and that may take several years.</p> <p>According to law, the PAC has full access to summon witnesses and call for information or documents – but they seldom do. They base their conclusions on the findings of the Auditor General. The PAC and the AG’s Offices monitor and follow-up the government responses as mentioned above. Sometimes a standing committee may follow-up as well, typically by asking the minister questions, having consultations and by having a debate in chamber. PAC may also draw attention to the Folketing if an audit matter has not been satisfactory followed up by the minister - or any other issue.</p>

	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>Estonia</b>	<p>State Audit Office is accountable to Parliament but independent in compiling audit plan. Auditor General submits an annual report on the state assets and an annual report on the state accounts to the Riigikogu. Riigikogu can request audits but Auditor General decides whether to accept request. Auditor General gives opinions on draft legislation and government acts in fields of financial management, financial accounting and reporting, internal control and internal audit. The SAO participates in the Committee's inquiry to give explanations where needed.</p>	<p>Committee has right to obtain oral and written explanations from officials and private persons and documents from state and local authorities and individuals and submit inquiries to Government which must respond within one month. Before audit report are submitted to the Parliament, the audit team discusses the observations, conclusions and recommendations with the audited entity giving them the opportunity to comment. The Committee discusses reports and important questions raised by the AG and reviews public audit issues. After reviewing and discussing the audit reports, the Committee selects reports that need further attention and more detailed discussion and summons the auditee before the Committee for questioning. The SAI has a follow-up system for recommendations made in the course of audits in order to increase the quality and effectiveness of audits and to decide the necessity of follow-up audits. The Committee also checks the implementation of its recommendations and those made by the SAI.</p>
<b>Finland</b>	<p>Independent National Audit Office under the aegis of Parliament. Carries out financial and performance audit of Government and ministries, state offices and agencies, state business enterprises and state-owned companies, state aids and subsidies. Does not audit Parliament, Bank of Finland or State Insurance Institute. NAO submits to the Eduskunta an annual audit report and separate reports as necessary, and an annual report on its own activities. The SAI President, Auditor-General of Finland and/or civil servants of SAI are present at the Audit Committee meetings when the PC wants to hear them as experts. They are among the most heard experts and hearings are approximately twice a month.</p>	<p>Auditee is given opportunity to comment on draft report before it is finalised. A committee starts by hearing experts and obtaining information from other sources. Hearings generally begin with a ministry representative or representatives and then proceed with other persons who have assisted in preparatory work or can speak for agencies, organizations and other interested parties that the matter concerns. The scope of hearings varies: in some cases only one expert may be called, but in major legislative projects a committee may hear dozens of experts. Experts usually give oral presentations at committee meetings. A committee can also ask an expert for a written statement. There is not any common, formal timeframe to provide written answers; it depends on the actions and timetable which are demanded from the government.</p>

	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>France</b>	Court of Auditors is independent of both Parliament and Government. It submits to Parliament annual reports on central government accounts and on budgetary management. Court of Auditors' staff participate in work of Evaluation and Control Mission. The Court takes legally binding decisions requiring repayment with interest of funds it judges to have been used illegally. The Court grants discharge to the "comptables" in each Ministry responsible for authorising the use of public funds.	The persons whose testimony is deemed necessary by the President and the General Rapporteur of the Committee on Finance of each meeting are required to comply. Follow-up action is monitored by the SAI.
<b>Germany</b>	Federal Court of Auditors, which is independent of Parliament and Government, carries out financial and performance audit of federal finances. Regional Audit Courts audit Länder finances. Annual report submitted to Parliament and Government. Parliament, Government or a Minister may request audits. Court gives opinions on spending and legislative proposals. Court reports suspected offences against disciplinary or penal codes to appropriate Prosecutor.	The PAC drafts a recommendation for a resolution, which can be very detailed, and the implementation of these recommendations is then monitored by the Bundesrechnungshof. Since 1997 the Bundesrechnungshof has submitted an additional report informing the public about the effectiveness of its work. This Audit Impact Report serves follow-up purposes and highlights the conclusions drawn from the annual report items submitted to Parliament two years before, including the actions taken by federal departments and agencies to address the shortcomings stated by the Bundesrechnungshof.
<b>Greece</b>	Audited bodies are both subject to a priori and a posteriori audit. If an accounting officer does not submit the appropriate accounts and documentation to the Court within the time limits provided, the Court may fine them. Where a deficit is identified, the Court initiates recovery proceedings against the accounting officer. The latter is usually an individual but in the case of local government there is collective responsibility. Individuals are not insured against losses occurring in the course of their work. The auditee has a right of appeal against the decisions of the Court. The Parliament does not usually devote much time to the audit reports of the Court and there are no procedures for a detailed oral hearing on the reports. However, under the Constitution the Parliament is obliged to take the Court's view on the Annual Financial Statement and the Balance Sheet of the state into consideration in giving its discharge to the state budget.	Once every three months the Minister of Finance and Economics is obliged to inform the committee on the course of the execution of the State budget and on the management of public finances. Through the Speaker of Parliament, the Minister forwards to the committee the monthly execution/ realization of the budget's revenues and expenditures.

	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>Hungary</b>	SAO carries out financial audit, regularity audit and performance audit. Occasionally, SAO carries out audits on the order of Parliament and may also carry out audits at the request of government. President of SAO may comment in plenary and committees where he is permanent guest on annual accounts, on SAO annual report and on budget proposals, but he cannot be called to account for his actions. SAO prepares follow-up report on implementation of its recommendations. SAO has right to freeze assets and resources for investment projects if it uncovers inefficiency or irregularity - suspected criminal offences referred to public prosecutor.	The Committee has the right to summon witnesses. Witnesses are not obligated to present themselves. The SAO report which is also addressed to the National Assembly and the relevant minister may include recommendations to the Government. The auditee prepares an action plan based on the SAO's recommendations and the SAO tracks the implementation of the action plans, which may include legislative changes. In a subsequent report the SAO describes how audited entities have responded to its previous recommendations.
<b>Ireland</b>	Comptroller and Auditor General independent constitutional officer appointed by President on nomination of Dáil may be removed only for misbehaviour or incapacity on passing of resolutions in both houses. Comptroller and Auditor General prepares report on anything considered appropriate in light of audit of legality, regularity, economy and efficiency of public spending. Reports to Dáil through PAC and attends PAC as permanent witness. Member of C&AG's office assists chair of PAC. Accounts of C&AG's office audited by external auditor reporting to C&AG who submits report to PAC. Parliament can request audits but C&AG decides whether to accept requests. C&AG also reports on public internal controls, authorises release of exchequer funds and gives opinion on draft laws in field.	PAC has the right to call heads of government departments and offices and any other organisation audited by the C&AG to appear for examination. In practise, the Government reply to the recommendations of the PAC is by way of what was always referred to as the "minute of the Minister for Finance". That minute when considered by the PAC completes the Accountability cycle. In general the recommendations of PAC are accepted by the Government when it outlines what it intends to do by way of implementation in the minute of the Minister.
<b>Italy</b>	Court of Auditors required to audit state budget and budgets of agencies funded by state budget, and give opinions on cost of laws passed. It carries out a priori and a posteriori audit of public expenditure and performance audit, and prosecutes those suspected of misusing public funds. Demands for damages are imposed and these must be met personally by public employees. Court provides Budget Committee and any other relevant Committee dependent on subject matter with information, clarification and documentation.	Recommendations of the Court have no binding force. Administrations are, however, obliged to report on whether, and in which terms, they have adopted corrective measures following the Court's findings and recommendations.

	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>Latvia</b>	<p>State Audit Office informs Parliament of its annual work plan, and provides Parliament with reports on implementation of State and local government budgets, entities where audit opinion is qualified and refused, performance audits; especially important or significant findings; SAO also submits audit of its own accounts, carried out by an external auditor selected competitively by Parliament, to Parliament. Every time the State Audit Office conducts an audit at a public entity and identifies shortcomings or violations, the State Audit Office, together with the relevant entity, agrees on the scope of shortcomings to be eliminated and the deadline for doing so.</p>	<p>When the Public Expenditure and Audit Committee reviews the major audits carried out by the State Audit Office, it invites to its meeting relevant responsible officials, namely, the relevant line minister, the parliamentary secretary, and the state secretary or deputy state secretary. It holds one or more meetings during which it hears the opinions of both sides, i.e., the State Audit Office and the audited entity, holds a question-answer session, and decides on the deadline for submission of the report by the audited entity and on the deadline for the State Audit Office to submit the report on the performance of the audited entity in eliminating errors, violations and shortcomings. The SAI has the right to give recommendations to audited entities to eliminate any detected irregularities. The SAI also has the right to set deadlines within which audited entities have to report on progress made in eliminating such irregularities.</p>
<b>Lithuania</b>	<p>State Control is required to provide Parliament with the following: opinion on the implementation of the state budget, opinion on public debt and borrowing, opinion on state owned property, State Control annual report. It carries out both financial and performance audit. The AG, his Deputy and the auditors who have signed an audit report or opinion can be invited to participate in committee discussions as well as the auditee's senior staff (state secretary, undersecretary, etc.). Auditor General can oblige management to exercise official or disciplinary measures against those suspected of wrongdoing, to return misused funds, and can refer cases of suspected fraud to law enforcement bodies.</p>	<p>Regularly, the response should be given in 4 weeks, but usually the Committee determines other terms for response, depending on the time needed to reach the result. Usually, the information is sent to the Committee by mail. If needed, it may be discussed during the Committee meeting. The responses are not debated in the Parliament. If the Committee finds the responses unsatisfactory, the draft legislation can be initiated, which would be discussed in the plenary sitting of the Parliament.</p>

	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>Luxembourg</b>	<p>Court required to submit annual report on the general accounts of the state together with responses from the Government or other relevant organisation. Audit of legality, regularity and sound financial management. Court can be consulted on draft legislation with implications for public funds, or for budget management and public sector accounts. The Committee can ask the SAI to carry out audits or reports on precise subjects but the SAI holds the initiative to decide which controls it is going to carry out. The SAI attends the meetings of the Committee on a very regular basis in order to present the results of its controls, give additional information or answer questions of the Committee members. In general, they are not present when the controlled institution presents its justifications to the Committee.</p>	<p>Government is given a fixed time to comment on Courts findings. No process has been defined for the Government to respond to committee recommendations. The Committee waits for a written answer from the government explaining which steps have been undertaken or which problems have been encountered in the implementation of the Committee's recommendations. If the government declares that it does not intend to follow the Committee's recommendations, the report of the Committee will be debated in the parliament.</p>
<b>Malta</b>	<p>NAO carries out regularity audit and performance audit. PAC may ask auditor general to carry out investigations and enquiries. The Malta NAO may express views on draft primary and secondary legislation, particularly if requested by Government or by the Legislature. PAC discussions of audit reports are attended by both the Malta NAO and auditee's management and staff.</p>	<p>PAC discussions of audit reports are attended by auditee's management and staff. Also in attendance are Permanent Secretaries from the Office of the Prime Minister and the Ministry of Finance. Their role is to ensure that any recommendations made by the PAC are taken up by the civil service entities concerned.</p>
<b>Netherlands</b>	<p>Court of Audit carries out regularity audits and performance audits. It does not comment on whether ministers should resign or on policy desirability. Court briefs Parliament in camera before publication of reports to Parliament. Court audits own budget by auditing Ministry of Home Affairs budget which includes internal audit report on Court's budget submitted to the Ministry of Home Affairs. Board of Court of Audit appointed by Royal Decree = government decision. Members appointed for life and can only be dismissed by the Supreme Court of the Netherlands. Court of Audit regularly produces follow-up reports on implementation of its recommendations. Parliament can request audits. Court decides whether to accept request.</p>	<p>Within 3 - 6 weeks, the Government has to respond to the Committee reports/recommendations. As a rule the written answer are send to the Chair of the House of Representatives; the Chair hands it over – via the parliamentary information system - to the Committee. the Committee judges if the answers given are adequate. If so, the Committee usually hands the dossier over to the appropriate standing Committee(s). The standing Committee in charge can decide to take further preparations and to have a debate with the responsible minister(s), followed – if sufficient members wants it that way – by a plenary debate (motions + voting). If the undertakings given by ministers are not complied, the Committee will take action and – for instance – send a letter of recall. Ultimately the minister can be summoned to come to a parliamentary session for an explanation and a debate.</p>

	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>Poland</b>	<p>Supreme Audit Office carries out legality, sound management, efficiency and integrity audits and gives opinion on closure of the accounts. May also audit local government. The SAO has a role in commenting on both draft legislation and the functioning of legislation already in force. President participates in relevant plenary debates; staff participate in Committee debates. The SAO may undertake audits on own initiative, on the order of the Parliament or its bodies, or on the request of the President of Poland or the Prime Minister. The SAO has freedom to select audit subjects on which it wishes to report. The SAO President, or one of the Vice Presidents acting as the representative of the President, may participate in plenary sessions of the Parliament. SAO staff also present information to parliamentary committees on the result of the audit work. In Poland, Article 98 the Supreme Audit Office Act of 23 December 1994 imposes criminal liability on those who hinder or impede the performance of control activities. "Article 98. Whoever prevents or hampers the person authorised to conduct an audit or their assistant to perform an official activity, in particular by failing to produce necessary documents or materials, or by failing to give or giving false information on the implementation of post-audit recommendations, shall be liable to a fine, restriction of liberty or imprisonment for up to 3 years."</p>	<p>The SAI has the right to summon witnesses from the audited body or related bodies and receive their evidence, to demand oral or written explanations from employees of audited bodies, to call experts and specialists and to participate in the management meetings of audited bodies. Parliamentary Committees do not organize hearings, however, they can put questions to different persons invited at the committee meetings. They can question the minister of the department concerned (often accompanied by some officials, for example, directors from different departments of a ministry) and SAI representatives. The SAI informs the committee if its follow-up recommendations have been implemented.</p>
<b>Portugal</b>	<p>Court carries out a priori and a posteriori audit of the public finances and performance audit. The final report is submitted to the President of the Republic, Parliament, Government and the organs of government of the autonomous regions. Parliament can request two extra audits per year. Board of Court of Auditors participates in meetings of Committee on Budget, Finance and Public Administration to discuss recommendations contained in its annual report, as well as to discuss specific bills. The Court has judicial functions and can judge and punish those it finds guilty of violations of financial regulations.</p>	<p>When there are irregularities identified by the SAI, the Committee on Budget, Finance and Public Administration can conduct hearings and investigations following those conclusions of the SAI. The Committee conducts at least one annual hearing of regulatory agencies of the financial sector, government officials and others. The Government is required to formally respond to committee reports/recommendations. There is no general timeframe. However, the government in general responds within some weeks. Responses are debated in the Committee. They can also be debated in the plenary, if requested by any parliamentary group. Concerning the follow-up of its recommendations, the Committee can request information and address questions to the government. A subcommittee or temporary working groups can be set up.</p>



	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>Romania</b>	<p>Independent Court of Audit submits an annual report to Parliament on management of State and public sector finances, and State and local assets. The decisions of the Chamber of Deputies or of the Senate requesting the Court of Accounts to conduct certain controls, within its competences, are mandatory. SAI members participate when invited and when issues within the SAI field of activity are debated. Initially, the Court of Accounts in Romania had judicial powers and even financial prosecuting attorneys. The law governing the status and activity of the court, Law no. 94/1992, was amended many times and since 2008 the court has no more judicial power. However, the Court still can suspend measures contrary to financial, accounting or fiscal legal provisions, block illegal or inefficient use of budgetary or social funds, remove financial irregularities and correct accounts (according to art. 43 of the amended Law no. 94/1992 (2009)).</p>	<p>The auditee may make written objections to the findings contained in the audit reports drafted by external public auditors, within 15 days as of receipt of such. The objections shall be submitted to the head office of the institution with which works the external public auditor and shall be considered on follow-up of findings. There is no procedure whereby the Government has to respond officially to the Parliamentary Committee's recommendations on budget execution. No hearings are organized to question government officials, however, Ministers can be invited at the debates in Committees and in plenary sessions.</p>
<b>Slovakia</b>	<p>Independent Supreme Audit Office carries out regularity/financial audits and performance audits of central and local government and private bodies in receipt of public funds. The Chairman and Vice Chairmen of the SAI have the right to attend and speak at discussions of the cabinet and committees of the Slovak Parliament. The SAI can give its opinions on draft legislation and has statutory obligation to submit its opinion on state closing account and draft state budget to the Slovak Parliament. If an audited body or individual fails to cooperate, the SAI has the power to impose a penalty. The party concerned has the right of appeal to the Chairman of the SAI against the penalty. National Council may request ad hoc audit reports on any topic at any time and has power to require SAI to comply with request.</p>	<p>The Slovak Parliamentary committees are authorized to invite Government members, representatives of state administration bodies and the attorney general to take part in their meetings in order to obtain explanations, reports and relevant documents. The SAI sends a written report of its conclusions and recommendations to the management of the audited body and a meeting is held to discuss the issues arising. Minutes of the discussions, setting out the audited body's response to the audit findings and details of how it intends to deal with errors and irregularities identified during the audit, are prepared by the SAI and signed by both parties. If the audited body does not take appropriate measures to rectify errors and irregularities, the SAI Chairman can refer the matter to the Slovak Parliament for discussion. The Parliamentary committee will keep monitoring this process up till the end.</p>
<b>Slovenia</b>	<p>Court submits audit reports to the National Assembly and the auditee, and provides the National Assembly with an annual report on its own work. The Court exercises its powers entirely independently. However, deputies and working bodies of the National Assembly propose that an audit be carried out. Court must carry out at least 5 audits proposed by Parliament. Members of the SAI are present wherever the Committee discusses reports</p>	<p>Where significant irregularities or inefficiencies are found and the audited body has not acted to rectify them during the course of the audit, a follow up procedure is initiated by the Court. The audited body must submit a response report to the Court of Audit setting out the steps and actions to be taken to eliminate the irregularities and efficiencies.</p>

	SUPREME AUDIT INSTITUTION	EXECUTIVE
	from the SAI. Court also gives opinions on draft legislation.	
<b>Spain</b>	<p>Court of Auditors audits public sector accounts including accounts of state and local government, public enterprises, agencies and political parties in receipt of public funds; holds public officials or individuals liable for loss or waste of public money - criminal misuse referred to criminal authorities. Court submits annual report to Parliament detailing any suspected infringements and liabilities incurred. Parliament can request the Court to carry out specific audit works, but it is up to the Court to include those requests in its audit programme. The President of the SAI only attends committee meetings when presenting SAI reports.</p>	<p>There are no general rules which require the Government to formally respond to the Committee recommendations. However, the Joint Committee's resolutions usually include specific provisions on the process through which the Government has to report the Parliament on the implementation of its recommendations and requests. Every year the final Declaration on the General State Account includes a follow-up section detailing the extent to which the recommendations made by the Court and the Joint Committee in previous years have been implemented.</p>
<b>Sweden</b>	<p>The Swedish NAO is an independent authority under the control of the Swedish Riksdag (Parliament). However, based on laws the Riksdag decides the extent and focus of the auditing activities. The Auditor General and the auditors responsible for the report present the report in the presence of the committee. There is no protocol from the committee meetings. SAI members participate at hearings now and then, and always when the hearing concerns a report from the SAI.</p>	<p>The government is required to answer to the report within four month (July and August not counted). The answer is sent to the committee and becomes a part of the report from the committee. If the Parliament votes in favor of a recommendation from a committee, the government has to act according to the recommendation or – if the government decides not to act – explain to Parliament why they have neglected the recommendation. Government reports annually to parliament on remedial action taken as a result of NAO observations.</p>

	SUPREME AUDIT INSTITUTION	EXECUTIVE
<b>United Kingdom</b>	<p>The Comptroller and Auditor General, although an officer of Parliament, is appointed for life in a non-political way. Appointed by Queen on proposal from Prime Minister with agreement of chair of Public Accounts Committee and Parliament. Carries out financial and value for money (performance) audit of government departments, agencies and other public bodies - NAO does not audit local government or devolved administrations. C&amp;AG responds to letters from Members of Parliament and responds to government requests to undertake specific examinations. The head of the Office, the Comptroller and Auditor General, is always present at Committee meetings and he is accompanied by NAO staff who are experts in the issue to be discussed. The senior NAO staff sit at the Committee table next to the members of the Committee and sometimes take part in the discussion and even ask questions of the witnesses. C&amp;AG also authorises release of exchequer funds.</p>	<p>Senior government officials must appear for examination when required. Government must respond to PAC recommendations.</p>
<b>EU</b>	<p>Members of European Court of Auditors appointed by Council for 5 years, renewable once. President of ECA elected by ECA Members from among their Members. President of ECA presents Annual Audit Report to plenary and Special Reports to the Committee on Budgetary Control. Relevant ECA Members attend Committee on Budgetary Control hearings of Commissioners. The Court must be consulted by the Council on any proposals for financial regulations or for measures in the fight against fraud. The Court can also comment on any draft legislation that is likely to have significant financial effect. It can at any time submit observations on its own initiative (special reports) and deliver opinions at the request of other institutions.</p>	<p>Both the Annual Reports and the special reports of the Court include the replies of the European Commission and other institutions to the Court's observations. These bodies also receive draft chapters and the Court takes into account their opinions and corrections before finalising its report. The Commission and the other institutions shall take all appropriate steps to act on the observations accompanying the European Parliament's discharge decision and on the comments accompanying the recommendations for discharge adopted by the Council. At the request of the European Parliament or the Council, the institutions shall report on the measures taken in light of these observations and comments. Commissioners appear for examination when required.</p>



DIRECTORATE-GENERAL FOR INTERNAL POLICIES

## POLICY DEPARTMENT BUDGETARY AFFAIRS **D**

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