

European Communities

EUROPEAN PARLIAMENT

Working Documents

1981 - 1982

15 September 1981

DOCUMENT 1-469/81

REPORT

drawn up on behalf of the Committee on Budgetary
Control

concerning the/consultation of Parliament on the
appointment of four members of the Court of
Auditors of the European Communities (Article 78(e) (4)
ECSC, Article 206(4) EEC, Article 180(4) EAEC)
pursuant to Rule 51 of the Rules of Procedure

Rapporteur: Mr H. AIGNER

12.1

PE 74.384/fin.

By letter of 30 July 1981 the Council consulted the European Parliament on the appointment of four members of the Court of Auditors pursuant to Articles 78 of the ECSC, 206 of the EEC, and 180 of the Euratom Treaties.

At its meeting of 14 September 1981 the Committee on Budgetary Control, pursuant to Rule 51 of Parliament's Rules of Procedure, considered a draft report tabled by its chairman, and adopted it unanimously.

Present: Mr AIGNER, chairman and rapporteur, Mrs BOSERUP, vice-chairman, and Mr PRICE, vice-chairman; Mr ANTONIOZZI, Mr BATTERSBY, Mr COUSTE, Mr GONDICAS, Mr GOUTHIER, Mr IRMER, Mr KELLETT-BOWMAN, Mr MALANGRE, (deputizing for Mr FILIPPI), Mr MART, Mr MERTENS (deputizing for Mr ALBER), Mr NOTENBOOM, Mr PATTERSON (deputizing for Mr FORTH) and Mr SIMONNET.

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The Committee on Budgetary Control hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

concerning the consultation of the European Parliament on the appointment of four members of the Court of Auditors of the European Communities (Art. 78(e) (4) ECSC, Art. 206 (4) EEC, Art. 180 (4) EAEC) pursuant to Rule 51 of the Rules of Procedure.

The European Parliament

- having regard to Article 78(e) of the ECSC Treaty,
 - having regard to Article 206 of the EEC Treaty,
 - having regard to Article 180 of the EAEC Treaty,
 - having been consulted by the Council on 30 July 1981 (Doc.1-430/81),
 - having regard to the report by the Committee on Budgetary Control (Doc. 1-469/81),
 - having regard to the reports and opinions forwarded to the European Parliament by the Court of Auditors since its establishment,
 - having regard to the spirit of cooperation which has developed between the Court of Auditors and the European Parliament, and the assistance provided by the Court to the European Parliament in the exercise of its power of discharge.
1. Expresses its confidence in the Court of Auditors, given the manner in which it has discharged its responsibilities since it was established;
 2. Endorses the Council's proposal, and therefore decides together with that institution, to reappoint as members of the Court of Auditors of the European Communities Mr Angioi, Mr Gaudy, Mr Johansen and Mr Murphy;
 3. Instructs its President to forward this resolution to the Council and Court of Auditors and to forward it for information to the other institutions.

EXPLANATORY STATEMENT

1. The Court of Auditors of the European Communities was set up, at Parliament's instigation, by the Treaty of 22 July 1975 which came into force on 1 June 1977. By decision of 18 October 1977, taken after consulting Parliament, the Council appointed the following as members of the Court of Auditors: Mr Angioi (Italy), Mr Gaudy (Belgium), Mr Johansen (Denmark), Mr Leicht (Germany), Mr Lelong (France), Mr Mart (luxembourg), Mr Middelhoek (Netherlands), Mr Murphy (Ireland), and Sir Norman Price (United Kingdom).

On 25 October 1977, the members of the Court of Auditors were sworn in before the Court of Justice of the European Communities.

At its meeting of 9 November 1977, the Court of Auditors elected Mr Murphy president for three years. His term as president was renewed on 6 November 1980.

Finally, when Greece joined the European Communities, the Council, on 22 December 1980, after consulting Parliament, appointed Mr Vitalis as the tenth member of the Court of Auditors.

2. Since its establishment, The Court of Auditors has carried out the duties assigned to it by the Treaty of 1975 - to examine whether the revenue and expenditure of the Community have been lawful and regular and to satisfy themselves of the soundness of the financial management in the spirit and according to the ideas which led Parliament to call for its establishment. It has fitted into the system of budgetary control of the Communities and has become a key part of that system, not by superimposing itself on the other bodies, but by cooperating with and complementing them, coordinating their activities where necessary.

During the running-in period, the Court did run into problems, not all of which have been settled, but fruitful cooperation has already developed in many sectors, both with the departments subject to control, particularly in the Commission, and with the other internal, external, national and Community control bodies. The Parliament notes with particular satisfaction that certain obstacles in the way of control in the Member States have recently been removed.

3. One of the main reasons why Parliament called for the establishment of the Court of Auditors was political in nature: budgetary power in the Community needed to be made more democratic, and its two inseparable components - the power to decide revenue and expenditure and the power to control the levying and use of taxpayers' money - needed to be handed over gradually to the representatives of the people of the Community.
4. If it was to carry out in a satisfactory manner its new responsibilities for budgetary control (the Treaty of 1975 simultaneously increased the Parliament's power of budgetary decision and gave it sole ultimate responsibility for granting a discharge on the implementation of the Community budget), Parliament needed to be able to count on the assistance and cooperation of an independent outside Community control body.
5. During the first four years of the Court of Auditors' existence, Parliament had every opportunity to appreciate the spirit in which the Court acted in its relations with Parliament. Owing to their high standard and the range of problems covered, its annual reports have not only proved indispensable to the Parliament in preparing its decisions on the discharge, but have also matched very closely the expectations and concerns of parliamentary control.

6. More specifically, as a result of the special reports and opinions by the Court of Auditors on the following subjects, parliamentary initiatives have been or will be taken in the area of budgetary control:

- operation of the STABEX
- implementation of the JET budget
- the accommodation policy of the institutions
- measures to combat irregularities in the area of own resources
- EAC
- implementation of food aid
- the Professional Training Centre in Berlin
- Dublin Foundation for the Improvement of Living and Working Conditions
- European schools
- co-responsibility and Christmas butter
- the financial regulation for the 5th EDF
- arrangements for implementing the General Financial Regulation
- revision of the General Financial Regulation
- procurement of office supplies and equipment.

7. Cooperation between the Court of Auditors and the Parliament very soon developed in an essentially pragmatic and flexible manner on the basis of the recognition by both institutions of their interdependence and of their common interests and aims. This cooperation was greatly facilitated by the fact that the Court of Auditors and Parliament's Committee on Budgetary Control adopted parallel working methods and assigned responsibilities among their members in largely comparable sectors.

8. A positive overall verdict can therefore be given on the way the Court of Auditors has carried out its duties, particularly from the point of view of its assistance to Parliament in the exercise of its political responsibilities on budgetary control.

9. The Council proposes, that the term of office of four of the members of the Court of Auditors, which now expires pursuant to Article 206 (4) paragraph 2, be renewed. They are Mr Angioi, Mr Gaudy, Mr Johansen and Mr Murphy. The curriculum vitae of these four members is attached to this explanatory statement.
10. Having stressed during the negotiations on the 1975 Treaty the importance it attached to its involvement in the procedure for appointing members of the Court of Auditors, Parliament has the duty and the resolve to give full weight to the consultation procedure laid down by the Treaty. In particular, should it disagree with the Council's proposals, it would certainly request the opening of a conciliation procedure.
11. This proposal by the Council to reappoint the four members whose terms of office expire on 17 October 1981 can be endorsed by the Parliament. It reflects the confidence which Parliament wishes to express in the Court of Auditors on the basis of its past work and activities.

CURRICULUM VITAE of Aldo ANGIOI

Born : 11 April 1927, Rome (Italy)

Marital status : Married

Studies : degree in law, 1947

1949 qualified as solicitor

1949 admitted by competition to an A post with the
Ministry of Labour and Social Security

1953 transferred by competition to the Court of Auditors

1970 promoted to adviser at the Court of Auditors

1973 released from duties following appointment as member
of the International Board of Auditors of NATO

1.8.1974 - elected Chairman of the International Board of

31.7.1975 Auditors of NATO

Court of Auditors of the European Communities

18.10.1977 appointed member

at present responsible for the following sectors:

EAGGF, Guidance Section, European Regional Development
Fund.

CURRICULUM VITÆ of Paul GAUDY

Born : 4 August 1921, Nivelles (Belgium)
Studies : Greek and Latin
Industrial accounting
Degree in commercial and financial studies

National career

1942 - ... : Ministry of Finance; until 1957 with the
administration of direct contributions
1957 - 1959 : General secretariat, research department
1959 - ... : Public credit department (currently holds grade of
general inspector on leave for international service)

European career

1959 to the end of 1971: - Financial adviser to the Permanent Representation, in
charge of financial, fiscal and administrative negotiations
- In the above capacity, member of the Budget Committee and
deputy member of the Committee of the European Social Fund
- Member of the Administrative and Financial Committee of the
Board of Governors of the European Schools
1959 to 1971: - Member of the Governors' group of experts of the European
Investment Bank
1970 to 1973: - Deputy member of the European Investment Bank Board of
Directors

Until the establishment of the Court of Auditors:

As from

8 December 1971 : ECSC Auditor

As from

1 January 1972 : Member of the EEC Audit Board

Academic duties:

Lecturer at the Institut Supérieur de Commerce Saint-Louis in Brussels
(institute of university education)

Court of Auditors of the European Communities

At present responsible for the sector dealing with the ECSC, the Social Fund
and banking aspects of borrowing and lending operations.

CURRICULUM VITÆ of Arne K. JOHANSEN

Born : 29 August 1922, Copenhagen (Denmark)

married Astrid Holm, 1947, three children

1941 : Degree in English

1942 : Degree in Banking

1948 : Doctorate in law (Juridisk Kandidat) from the University of Copenhagen
Adviser at the Danish Court of Auditors

1952 : Barrister at the Court of Appeal

1957 - 1960 : Auditor on the International Board of Auditors of
NATO in Paris

1964 - 1966 : Member of the Audit Board of ESRO in Paris

1966 : Senior adviser at the Danish Court of Auditors

1972 : President of the Chamber at the Danish Court of Auditors

1973 - 1977 : Member of the Audit Board of the European Communities

1976 : Vice-President of the Danish Court of Auditors

1977 : Member of the European Court of Auditors

At present responsible for the sector dealing with own-resources

CURRICULUM VITAE of Michael N. MURPHY

Born : 19 January 1919, Cork (Ireland)

Marital status : married with two children

Previous posts

- 1937-1946 various civil service posts
- 1946-1962 Administrator, then assistant principal administrator with the Ministry of Finance
- 1962-1971 Principal administrator (1962-1968) and Assistant Under-Secretary (1968-1971) responsible for the state budget (revenue and expenditure)
- August 1971 - Under-Secretary, head of public expenditure division,
February 1976 responsible for all matters concerning public expenditure (fixed assets and others)
- 1 March 1976 Secretary-General at the Ministry of Finance
- 18 Oct.1977
- Secretary-General at the Irish Ministry of Finance since 1 March 1976
- Director of the Central Bank of Ireland
- Deputy Governor of the International Bank for Reconstruction and Development
- Member of the Coordinating Group of short-term economic and financial policies (EEC)
- Member of the National Economic and Social Council
- Member of the National Science Council
- Member of the Council and Executive Committee of the Institute of Economic and Social Research
- Auditor of certain budgetary allocations, including appropriations for the office of the Minister for Finance.

Court of Auditors of the European Communities

- 18.10.1977 appointed member
- 9.11.1977 elected President
- 6.11.1980 appointment renewed
- at present responsible for : the secretariat of the Court, including rules of procedure and regulations governing the Court, relations with the institutions of the European Communities, national audit departments and other audit bodies, public relations, legal department, work programme, coordination of missions in the Member States.

