

EUROPEAN COURT OF AUDITORS

Luxembourg, May 1995

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**REPORT BY THE COURT OF AUDITORS
TO THE "REFLECTION GROUP"
ON THE OPERATION OF THE TREATY
ON EUROPEAN UNION**

INTRODUCTION

0.1. The European Council, meeting in Corfu on 24 and 25 June 1994, decided to set up a "Reflection Group" with the task of preparing the 1996 Intergovernmental Conference (IGC) provided for by Article N(2) of the Treaty on European Union. At the same time it invited the Community Institutions to draw up reports on the operation of the Treaty on European Union.

0.2. In the presentation of this report, the Court of Auditors wished in particular to highlight the inadequacies, the imperfections or the shortcomings of the present system for the management and control of Community funds which need to be remedied. It also wished to make more specific proposals for amending the Treaties or raise more general questions to which the IGC will have to give the appropriate answers.

1. THE GENERAL FRAMEWORK WITHIN WHICH THE COURT OF AUDITORS OPERATES WITHIN THE EUROPEAN UNION

Audit of the Union's finances by the Court of Auditors

1.1. The entry into force of the Maastricht Treaty has enabled the construction of Europe to enter a new stage, marked by the advent of the European Union, which was followed by several significant changes, amongst which were the election of a new European Parliament, the accession of Austria, Finland and Sweden to the Union and the appointment of a new Commission. At the same time, the necessary instruments were created and equipped with considerable financial resources for the purpose of achieving the twofold objective of carrying out the enlargement of the Union and respecting the commitments arising from the provisions of the Maastricht Treaty, especially as regards economic and social cohesion, the financing of trans-European transport networks and increased financial aid to the countries of Central and Eastern Europe and the Commonwealth of Independent States⁽¹⁾.

1.2. The objective of financial and budgetary instruments is to ensure that policies which were formerly attributed to the Community and are now assigned to the Union are implemented as effectively and economically as possible. The Commission is responsible for the most efficient use or, according to the terms of the Treaty, the "sound financial management", of European public funds and the resources needed to develop Community activities. It is also responsible for accounting, in a spirit of democracy - this latter need is felt more and more pressingly - for the execution of

⁽¹⁾ Thus the European budget alone has been multiplied by 2.7 in ten years, rising from 28 800 Mio ECU in 1985 to 79 800 Mio ECU in 1995. These are large sums, which have been given to the Union so that it may achieve the objectives that have been assigned to it in new fields and/or promote new policies or deal with its original objectives, such as in the field of the Common Agricultural Policy.

these policies, whether included in the budget or not, and is the body responsible for implementing the budget and managing a number of non-budgetary financial instruments.

1.3. The Court of Auditors' duty is to act as the external auditor of European public finances and to do so quite independently. The Member States conferred full institutional status upon the Court in the Maastricht Treaty, thus placing it on an equal footing with the "auditee". They also entrusted it with the new task of henceforth submitting to the European Parliament and the Council of the Union a Statement of Assurance (SOA) concerning the reliability of the accounts and the legality and regularity of the underlying transactions. This task is additional to the Court's normal work, which consists of producing Annual Reports and Special Reports and making observations on certain matters or giving opinions on specific questions at the request of other institutions, and/or opinions which must be delivered before the legislative authorities approve any provisions of a financial nature.

The Court's position within the institutional balance

1.4. In a system where the legislative and executive functions are shared between several institutions, the Court's status has developed in step with the evolution of this interinstitutional balance. For example, when the Treaty of Brussels took force on 22 July 1975 it established a system for sharing budget-related responsibilities between the Parliament, the Council and the Commission which required, as a corollary, the creation of an independent control body, the Court of Auditors.

1.5. Under the discharge procedure, the Court draws up Annual Reports and Special Reports on sound financial management, which then support, and form the basis for, the discussions held between the Commission, the Council and the European Parliament, with the latter taking the final decision as to whether to grant discharge to the Commission or withhold it. The Court's participation in the legislative procedure concerning financial and budgetary matters takes the form of detailed opinions delivered before any legislative text containing financial provisions is approved, in particular concerning the Financial Regulation and texts relating to the making available of own resources.

1.6. The amendment of the status of the Court and the extension of the range of tasks assigned to it are part of an overall enlargement, under the Treaty of Maastricht, of the powers and responsibilities conferred on the Institutions in budgetary and financial matters. These involve budgetary discipline in particular, which is to be exercised by the Commission⁽²⁾ at the same time as it implements the budget in accordance with the principle of sound financial management⁽³⁾, and measures taken by the Member

⁽²⁾ Article 201(a) of the EC Treaty.

⁽³⁾ Article 205 of the EC Treaty.

States to combat fraud affecting the Community's financial interests⁽⁴⁾. For the same purpose, the European Parliament may ask the Commission to give explanations on matters concerning budget implementation or the operation of the financial control systems⁽⁵⁾. For its part, the Commission does its best to follow up the European Parliament's observations, and reports to it on the measures taken⁽⁶⁾. Fraud, waste and inefficient management must be combatted as vigorously as possible: this objective was made explicit in the Maastricht Treaty and was vigorously reasserted at the meeting of the European Council held in December 1994 in Essen and by the Commission President, Mr. Santer, when he addressed the European Parliament in January 1995, at the time of the investiture of the new Commission. Mr. Santer stressed the need to make the necessary efforts to combat fraud against the Community's financial interests through both the management methods of the Institutions, especially the Commission, and national administrations, and by all parties in the matter of strengthening controls designed to prevent fraud.

The Court's priorities within the framework of the IGC

1.7. (a) Optimum external control requires certain responsibilities to be clarified, including in particular the Court's audit tasks, a matter which is dependent on certain appropriate measures being taken, e.g.:

- the field of application of the Court's audit powers should be clarified in areas which are not, or are only partly, covered by the inadequately explicit provisions of the Treaty on European Union. In accordance with the logic of this Treaty as a whole, it is important for the Court to be officially recognized as the Court of Auditors of the Union;
- it should be possible for the Court to institute legal proceedings, whenever it is prevented from carrying out its tasks satisfactorily. From the point of view of the SOA in particular, bearing in mind the importance of this new task, it is essential that the Court be granted the right of direct access to the Court of Justice in order to safeguard its prerogatives;
- the Court should be automatically entitled to audit all revenue and expenditure managed on behalf of the Community.

(b) In the field of Community management and the protection of its finances, the main question is that of improving the current system of internal control, particularly as regards the implementation of the budget: the Court established as much several years ago during its on-the-spot and documentary audits. The current model laid down by the Financial Regulation has revealed its limitations and shortcomings when it comes

⁽⁴⁾ Article 209 of the EC Treaty.

⁽⁵⁾ Article 206(2) of the EC Treaty.

⁽⁶⁾ Article 206(3) of the EC Treaty.

to making those responsible for the management of Community public funds answerable for their actions. It is therefore appropriate to carry out an examination of the sort this matter warrants in preparation for the 1996 IGC. This examination should also look at the desirability of developing a system at Community level which will be more effective in making budget managers and financial officers more responsible and which could lead to the implementation of a strengthened procedure by which authorizing officers, Financial Controllers and accountants who are at fault may be punished with pecuniary penalties, i.e. the adoption and establishment of a specific structure of budgetary and financial discipline.

2. SPECIFIC ASPECTS OF THE COURT OF AUDITORS' RESPONSIBILITIES AND TASKS

Control of the second and third "pillars" (CFSP and JHA)

2.1. Since the Court is not mentioned in Article E of the Treaty on European Union (TEU), it is proposed that it should be referred to along with the other Institutions, which would actually mean amending the TEU.

2.2. This is proposed because the Court is in fact required to audit expenditure incurred under the second and third "pillars" which is chargeable to the budget of the European Communities. The expenditure involved is administrative expenditure in all cases (Articles J.11, paragraph 2, first sub-paragraph, and K.8, paragraph 2, first sub-paragraph, TEU), as well as operational expenditure if the Council decides to charge it to the European Communities' budget (Articles J.11, paragraph 2, second sub-paragraph, first indent, TEU).

2.3. The Court has also been approached about the possibility of controlling expenditure chargeable to Member States on a sliding-scale basis (e.g. the Europol budget), and has even been called upon to audit such expenditure (1994 expenditure, Mostar). In addition to these cases and when expenditure relating to projects carried out within the "pillars" remains directly chargeable to the national budgets and is controlled independently by the national audit authorities, the Court could be assigned a role, whilst respecting the control powers vested in those authorities.

The Court's external control tasks and access to the Court of Justice

2.4. When the Court audits the Community's finances it considers the legality and regularity of the revenue and expenditure and examines the soundness of the financial management, after which it makes its findings public. The TEU also conferred upon the Court the new task of submitting to the European Parliament and the Council an annual "Statement of Assurance concerning the reliability of the accounts and the legality and regularity of the underlying operations" (SOA). The first SOA, concerning the 1994 budget, will be submitted at the end of 1995.

2.5. The extensive controls necessary to carry out these tasks satisfactorily require the Court to be given the opportunity fully to exercise the right accorded to it under the terms of Article 188 C, paragraph 3, EC, (and the corresponding provisions of the ECSC and Euratom Treaties) of being given all of the information that it needs to carry out its controls, regarding both revenue and expenditure. This right must be respected if the Court is to help to safeguard the Community's financial interests in any meaningful way.

2.6. It is therefore suggested that the Court, in accordance with its status as an Institution, should also be given the means to ensure that its rights and prerogatives in this respect are interpreted and upheld by the Court of Justice. To this end, a new Article 180(a) and a paragraph 5 to Article 188(c) could be added to the EC Treaty.

Auditing funds managed on behalf of the Communities

2.7. A large share of the Community's funds is not managed by the Commission but by other bodies acting on behalf of the Community. This situation may nevertheless not be allowed to result in the Community Institutions losing control over the management of these funds.

2.8. As far as the Court is concerned, there is the important matter of obtaining access to the information it needs for audit purposes. Article 188(c), paragraph 3, EC, does not cover the matter of access to information held by bodies which manage funds on behalf of the Communities, are independent of the Member States and were not set up by the Communities. The same also applies to bodies set up by and managing funds for the Communities whose constituent instrument does not provide for control by the Court.

2.9. The Court considers that, given this lacuna and in the light of the volume of funds concerned, there should be explicit provision in the Treaty for access to the information concerned in the cases envisaged in 2.8. It is therefore proposed that Article 188 (c)(3) should be amended so that "bodies which manage items of revenue and/or expenditure on behalf of the Community" are explicitly mentioned as bodies which must accept documentary controls or on-the-spot audits and should also communicate any document or information needed by the Court to discharge its duties.

Consultation of the Court

2.10. The Court takes part in the legislative process by giving Opinions on certain draft regulations. It must be consulted in the cases covered by Article 209 EC and may be consulted in other cases.

2.11. As far as compulsory consultation is concerned, the Court considers that Article 209 EC should be used as the legal basis for all legislation intended to lay down new financial regulations or to derogate from the Financial Regulation.

2.12. As regards optional consultation, this possibility could be better exploited in the sense that the Court could be systematically consulted on any draft legislation which, on bases other than Article 209, affects the Community's budgetary and financial mechanisms, especially regarding control. It is thinking, for example, of the draft regulation on the protection of the Community's financial interests, on which it was not consulted.

3. SPECIFIC ASPECTS OF THE IMPLEMENTATION OF THE BUDGET

Fighting fraud

3.1. Fraud against Community funds is likely seriously to undermine the credibility of the Union. Fighting fraud is therefore a primordial task for each of the Institutions and Member States.

3.2. In order to carry out anti-fraud measures successfully, a legal framework is first indispensable. Such a framework must define the Community's responsibilities and those of the national authorities and must lay down effective procedures and balanced means for repressing fraud. The Court of Auditors is pleased to see that efforts are being made to introduce new legislation in this field and it hopes that they will create a satisfactory legal framework.

3.3. When it audits the legality and the regularity of Community revenue and expenditure, the Court has a role to play in fighting fraud, both by preventing it thanks to its external auditor role, by detecting cases of presumed fraud when it audits the accounts and the underlying transactions, and also when it audits the operations of those administrative authorities that, side by side with the judiciary, are primarily responsible for fighting fraud against Community funds. It should however be stressed that the Court's effectiveness in fighting fraud is a direct function of the resources available to it and of the ease and degree of directness of its access to all the data it needs to inspect during the audits: it ought, where necessary, to be able to obtain access to these by an order of the Court of Justice (see 2.4 - 2.6 above).

Responsibility for implementing the budget

3.4. The Court believes that it must stress, without prejudice to the important system of shared management between the Commission and the Member States, that Article 205 EC states that the Commission is solely responsible for the implementation of the budget. In this respect, the Court observes that the principle of subsidiarity, important as it is, is sometimes wrongly cited in order to shift that responsibility from the Community to the national level.

3.5. The Court must also direct the reader's attention to an aspect of the implementation of the budget which receives too little attention, namely the question of recovering unwarranted payments. It has observed that in the past too few concrete results have been achieved in this field.

3.6. The question of responsibility for the implementation of the budget is also too important for the manner in which that responsibility is discharged not to be accompanied by detailed rules on the responsibility of the individuals whose task is to implement the budget in their daily work. The Court, however, has observed that there are significant legislative loopholes regarding the internal control systems, as well as the responsibility of authorizing officers, Financial Controllers and accounting officers - although such matters are specifically dealt with in Article 209 EC. Cases where a financial official may be held responsible are only vaguely defined in the Financial Regulation and the procedures for bringing people to account have proved ineffective. This has resulted in a very limited number of cases in which errant officials have been disciplined or required to make up deficiencies from their own pockets. The system

encourages the feeling in the minds of authorising officers that they are not in fact themselves responsible for what they do, thanks to the guarantee offered in their support by the prior approval of the Financial Controller. This latter official, in turn, might be less inclined to submit expert reports to his Institution⁽⁷⁾, in particular concerning the application of the principle of sound financial management, in respect of expenditure for which he had already indicated ex ante approval.

3.7. It follows from this that, in order to make good these shortcomings, the following amendments to the legislation are more necessary than ever: the context and extent of the responsibility of authorising officers, Financial Controllers and accounting officers must be defined in detail; the Institutions must be required to check the way in which individual responsibilities have been discharged; a strengthened procedure for sanctioning authorising officers must be introduced at Community level and, if necessary, a specific structure for supervising budgetary and financial discipline could be introduced: such a structure, which might offer the option of direct recourse to the Court of Justice, could establish the pecuniary responsibility of errant officials and punish them. As the Court already possesses the power of enquiry, it could play a part in such a structure.

4. ORGANIZATION OF THE COURT OF AUDITORS

4.1. In the experience of the Court of Auditors, which is organized and acts in accordance with the principle of collective responsibility, as laid down in the Treaties, the consecutive increases in the number of its Members from 9 to 15 have not in any way affected the efficiency of its work. On the contrary, the Court of Auditors has found the increases in the number of its Members as a result of the successive enlargements very welcome because in practice they have been accompanied by an increase in the Institution's work-load. For example, the most recent increase has coincided with the Court of Auditors' new task of providing an SOA, with the increase in the budget and with the introduction of new Community policies, all of which has considerably increased the Court of Auditors' workload.

4.2. Moreover, when the Court of Auditors was established on 18 October 1977 it was decided that reappointments or replacements of Members would occur on a regular, cyclical basis (first after 4 years, then 2 years, then after a further 4 years), pursuant to Article 206 of the former EEC Treaty. However, this system has not functioned since 1989, in particular because of delays in the procedure for appointing Members. Consequently, Members are now replaced according to a different timetable.

4.3. As this new situation poses, inter alia, considerable problems for the election and the period of office of the President of the Court of Auditors and for the institution's work programme, it is proposed that, by analogy with the provisions which apply to the

⁽⁷⁾ Cf. Art. 40 of Reg. No 3418/93 laying down implementing procedures for the Financial Regulation.

Members of the Court of Justice and after a transitional period to be determined by the political authorities, half of the Members should be replaced on a given date every three years.

5. OTHER PROPOSED ADAPTATIONS

Auditing of the ECSC

5.1. The former Article 78 F ECSC distinguished between the auditing of administrative revenue and expenditure (paragraph 1) and the auditing of other revenue and expenditure (paragraph 5). As the new Article 45 C ECSC lays down, in paragraph 1, that the Court of Auditors shall examine the accounts "of all revenue and expenditure of the Community", paragraph 5 of the same Article, which still refers to the other revenue and expenditure, has become superfluous. It is therefore proposed that paragraph 5 of Article 45 C should be deleted.

The reference in the Treaties to the status of the Members of the Court of Auditors

5.2. For the sake of rationality and simplicity in the harmonization of the Treaties, it is proposed that the status of the Members of the Court of Auditors should be defined by Article 154 EC (and Articles 29 ECSC et 123 EAEC) and that, at the same time, Article 188 B (8), EC should be repealed (and Articles 45 B (8) ECSC and 160 B (8) EAEC).

The composition of the budget

5.3. It is proposed that the Court of Auditors should be mentioned along with the other Institutions in Article 202(4) EC, which concerns the separate parts of the budget (and in the corresponding Articles in the ECSC and EAEC Treaties). The Treaties would thus reflect the institutional reality.

6. FOLLOW-UP OF THE WORK OF THE "REFLECTION GROUP" AND OF THE IGC

6.1. During the "Reflection Group" stage, the Court would like to be involved in the most appropriate way in the follow-up of the work of the "Reflection Group", either by being given observer status - if such a status should be created - or through the creation of a stable form of liaison which would enable it to monitor the work, so as to be informed as accurately as possible, and be given copies of all discussion papers. During the actual IGC, the Court would like to be given copies of all documents relating to its activities that will be submitted to the Ministers, or to their representatives, so that it may, where appropriate, make its own views on the subject known.

6.2. Generally speaking, the Members of the Court of Auditors are prepared to make any contribution that may help to improve the entire system of control of the Union's finances available to the "Reflection Group" and to the Conference throughout the period of its work. Moreover, the Court reserves the right to submit its own observations on reports or observations made or submitted by other bodies, to the extent

that such reports or observations directly or indirectly concern the status and powers of the institution, or, more generally, the system of control of Community finances.

AMENDMENTS TO THE TEXT OF THE TREATIES
which may result from the observations made
by the Court of Auditors in its report

PRESENT TEXT	PROPOSED AMENDED TEXT	COMMENTS
<i>The audit of the 2nd and 3rd pillars</i>		
<p><u>Article E TEU:</u></p> <p>“The European Parliament, the Council, the Commission and the Court of Justice shall exercise their powers under the conditions and for the purposes provided for, on the one hand, by the provisions of the Treaties establishing the European Communities and of the subsequent Treaties and Acts modifying and supplementing them and, on the other hand, by the other provisions of this Treaty.”</p>	<p><u>Article E TEU:</u></p> <p>“The European Parliament, the Council, the Commission (...) the Court of Justice and the Court of Auditors shall exercise their powers under the conditions and for the purposes provided for, on the one hand, by the provisions of the Treaties establishing the European Communities and of the subsequent Treaties and Acts modifying and supplementing them and, on the other hand, by the other provisions of this Treaty.”</p>	<p>Mention of the Court in Article E of the TEU with the other Institutions (see 2.1 - 2.3 of the report).</p>
<i>The audit powers of the Court of Auditors and access to the Court of Justice</i>		
	<p><u>Article 280(a) EC:</u></p> <p><u>“The Court of Justice shall have jurisdiction in disputes concerning such rights and prerogatives as have been conferred on the Court of Auditors by this Treaty”.</u></p> <p><u>Article 188(c)(5), EC:</u></p> <p><u>“Any infringement of the rights and prerogatives of the Court of Auditors may be placed by the latter before the Court of Justice. If the Court of Justice finds that an infringement has occurred, the persons responsible shall take such steps as may be necessary to comply with the Court of Justice's ruling”.</u></p>	<p>Provision for the Court of Auditors to refer disputes to the Court of Justice:</p> <ul style="list-style-type: none"> - new article 180(a) EC; - addition of a paragraph to Article 188(c) EC (see 2.3 - 2.6 of the report)

PRESENT TEXT	PROPOSED APPENDED TEXT	COMMENTS
<i>The audit of the bodies which manage funds on behalf of the Communities</i>		
<p><u>Article 188(c)(3) EC:</u></p> <p>“3. The audit shall be based on records and, if necessary, performed on the spot in the other institutions of the Community and in the Member States. In the Member States the audit shall be carried out in liaison with the national audit bodies or, if these do not have the necessary powers, with the competent national departments. These bodies or departments shall inform the Court of Auditors whether they intend to take part in the audit.</p> <p>The other institutions of the Community and the national audit bodies or, if these do not have the necessary powers, the competent national departments, shall forward to the Court of Auditors, at its request, any document or information necessary to carry out its task.”</p>	<p><u>Article 188(c)(3) EC:</u></p> <p>“3. The audit shall be based on records and, if necessary, performed on the spot in the other institutions of the Community, <u>on the premises of any body which manages revenue and/or expenditure on behalf of the Community</u> and in the Member States. In the Member States the audit shall be carried out in liaison with the national audit bodies or, if these do not have the necessary powers, with the competent national departments. These bodies or departments shall inform the Court of Auditors whether they intend to take part in the audit.</p> <p>The other institutions of the Community, <u>any body that manages revenue and/or expenditure on behalf of the Community</u> and the national audit bodies or, if these do not have the necessary powers, the competent national departments, shall forward to the Court of Auditors, at its request, any document or information necessary to carry out its task.”</p>	<p>Explicit recognition in the Treaty of the Court of Auditors' option of obtaining information from bodies that manage funds on behalf of the Community (see 2.7 - 2.9 of the report).</p>

PRESENT TEXT	PROPOSED AMENDED TEXT	COMMENTS
<i>The audit of the bodies which manage funds on behalf of the Communities</i>		
<p><u>Article 188(b)(3) EC:</u></p> <p>“3. The Members of the Court of Auditors shall be appointed for a term of six years by the Council, acting unanimously after consulting the European Parliament.</p> <p>However, when the first appointments are made, four Members of the Court of Auditors, chosen by lot, shall be appointed for a term of office of four years only.</p> <p>The Members of the Court of Auditors shall be eligible for reappointment.</p> <p>They shall elect the President of the Court of Auditors from among their number for a term of three years. The President may be re-elected.”</p>	<p><u>Article 188(b)(3) EC:</u></p> <p>“3. The Members of the Court of Auditors shall be appointed for a term of six years by the Council, acting unanimously after consulting the European Parliament.</p> <p><u>The Members shall be partially renewed once every three years on a fixed date. The number of Members concerned shall be alternatively eight and seven. The transitional measures needed to introduce this system of partial renewal shall be adopted by the Council, acting unanimously after consulting the Court of Auditors.</u></p> <p>The Members of the Court of Auditors shall be eligible for reappointment.</p> <p>They shall elect the President of the Court of Auditors from among their number for a term of three years. The President may be re-elected.”</p>	<p>Renewal of the Members' appointments on a fixed date, once every three years (see 4.2 and 4.3 of the report)</p> <p>N.B.: The same proposal applies to Articles 45(b)(3) ECSC and 160(b)(2) EEAC.</p>
<i>Auditing the ECSC</i>		
<p><u>Article 45(c)(5) ECSC:</u></p> <p>“The Court of Auditors shall also draw up a separate annual report stating whether the accounting, other than that for the expenditure and revenue referred to in paragraph 1, and the financial management relating thereto, have been effected in a regular manner. It shall draw up this report within six months of the end of the financial year to which the accounts refer and shall submit it to the Commission and the Council. The Commission shall forward it to the European Parliament.”</p>	<p><u>Article 45(c)(5) ECSC:</u></p> <p>(...)</p>	<p>Deletion of paragraph 5 of Article 45(c) ECSC (see 5.1 of the report).</p>

PRESENT TEXT	PROPOSED AMENDED TEXT	COMMENTS
<i>Reference in the Treaties to the status of the Members of the Court of Auditors</i>		
<p><u>Article 154 EC:</u></p> <p>“The Council shall, acting by a qualified majority, determine the salaries, allowances and pensions of the President and Members of the Commission, and of the President, Judges, Advocates-General and Registrar of the Court of Justice. It shall also, again by qualified majority, determine any payment to be made instead of remuneration.”</p> <p><u>Article 188(b)(8) EC:</u></p> <p>“The Council, acting by a qualified majority, shall determine the conditions of employment of the President and Members of the Court of Auditors and in particular their salaries, allowances and pensions. It shall also, by the same majority, determine any payment to be made instead of remuneration.”</p>	<p><u>Article 154 EC:</u></p> <p>“The Council shall, acting by a qualified majority, determine the salaries, allowances and pensions of the President and Members of the Commission, and of the President, Judges, Advocates-General and Registrar of the Court of Justice, <u>as well as of the President and Members of the Court of Auditors.</u> It shall also, again by qualified majority, determine any payment to be made instead of remuneration.”</p> <p><u>Article 188(b)(8) EC:</u></p> <p>(...)</p>	<p>Mention of the President and Members of the Court of Auditors in Article 154 EC with the Members of the other Institutions (see 5.2 of the report). N.B.: The same proposal applies to Articles 29 ECSC and 123 EAEC.</p> <p>Deletion of Article 188(b)(8) EC N.B.: The same proposal applies to Articles 45(b)(8) ECSC and 160(b)(8) EAEC.</p>

PRESENT TEXT	PROPOSED AMENDED TEXT	COMMENTS
<i>The composition of the budget</i>		
<p><u>Article 202 fourth paragraph, EC:</u></p> <p>“The expenditure of the European Parliament, the Council, the Commission and the Court of Justice shall be set out in separate parts of the budget, without prejudice to special arrangements for certain common items of expenditure.”</p> <p><u>Article 78(1), second subparagraph, ECSC:</u></p> <p>“The administrative expenditure of the Community shall comprise the expenditure of the High Authority, including that relating to the functioning of the Consultative Committee, and that of the European Parliament, the Council and the Court of Justice.”</p>	<p><u>Article 202 fourth paragraph, EC:</u></p> <p>“The expenditure of the European Parliament, the Council, the Commission, (...) the Court of Justice and the Court of Auditors shall be set out in separate parts of the budget, without prejudice to special arrangements for certain common items of expenditure.”</p> <p><u>Article 78(1) second subparagraph ECSC:</u></p> <p>“The administrative expenditure of the Community shall comprise the expenditure of the High Authority, including that relating to the functioning of the Consultative Committee, and that of the European Parliament, the Council, (...)the Court of Justice and the Court of Auditors.”.</p>	<p>Mention of the Court of Auditors in the fourth paragraph of Article 202 with the other Institutions (see 5.3 of the report). N.B.: The same proposal applies to Articles 78(a) fifth subparagraph ECSC and Article 175, fourth paragraph, EAEC</p> <p>Mention of the Court of Auditors in Article 78(1), second paragraph ECSC, along with the other Institutions.</p>