

**PRAKTISCHE FINANZKONTROLLE  
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IN EUROPA  
-ERFAHRUNGEN AUS DER PRÜFUNG VON  
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**-Ejemplo del País Vasco/The case of the Basque Country:**

*Dña. Begoña Lopez Errasti  
Consejera del Tribunal Vasco de Cuentas Públicas*

**-The case of local authorities in England and Wales:**

*Mr. Michael Robinson  
District Auditor, Audit Commission of England and Wales*

**-Beispiel Sachsen-Anhalt/The case of Saxony-Anhalt:**

*Dr. Horst Schröder  
Präsident des Landesrechnungshofs Sachsen-Anhalt*

## THE CASE OF LOCAL AUTHORITIES IN ENGLAND AND WALES

I think that the first comment I should make is how much I support the sentiments of the end of the previous speaker's talk and I think our experiences in the United Kingdom will endorse the view that we've just heard and I would expect it to strongly endorse that feeling.

I believe the situation in the United Kingdom is broadly similar to the situation in Ireland and from the description we heard in France this morning that similar problems to those that are being experienced in France, also apply in the United Kingdom.

I think to understand regional auditor's role in the UK you need to understand that there is no effective level of regional government in the UK in the way that there is in Spain or the way that there is in other parts of Europe. There are municipalities, and there are bigger areas, there are cities, but we do not have a history of regional government. So it is the case that the great majority of European funds that are coming to the British Isles go first to central government, and secondly to local government or, as we call it, regional government.

So, for that reason, the role of the Audit Commission in England and Wales is limited, and as a consequence most of the European funds are audited by the National Audit Office in the British Isles. But what actually does come out at the municipality level in the UK are predominantly two types of money; firstly, money associated with the European Regional Development Funds (ERFD), and secondly monies associated with dairy products where there is a use within the municipalities. In the totality of European funds there are not enormously significant sums of money, the development fund money can be significant to the cities and the areas that receive that money (they might receive, I don't know, twenty million pounds a year).

Now in both of these areas auditors have a role and a responsibility and we have actually a very well-defined role and responsibility as for both of these types of funds. What happens is that where municipalities receive monies from the development fund or from milk subsidies that the auditors carry out an audit in accordance with a standard programme which is being agreed between the Audit Commission and the government department that has responsibility (that's the central government department that has responsibility for those monies) and we satisfy ourselves that the monies are being properly spent, being properly dispersed, that if assets are being bought with those monies, that they actually exist or that the services provided have been properly provided, and that we check to ensure that the monies have been spent in accordance with the European regulations, particularly those with regard to the dispersment of the monies and the sums involved.

Now, generally I would say that for the monies that are involved this system has worked quite well, and about a year, two years ago the European Court of Auditors did in fact visit us and look at the system, that we haven't really heard anything since then, and there is no collaboration and there's no cooperation about this.

But it is also clear that in some areas like milk subsidies -although it is quite a small topic, it is a good illustration of this- lots of people are looking at the same area and this is just inefficient in terms of the use of audit resources. In the case of milk subsidies auditors who belong to the Audit Commission look at these at the local level, auditors who work for the Ministry of Agriculture and Fisheries in the United Kingdom look at these subsidies as well. The National Audit Office looks at these subsidies and we suppose that the European Court of Auditors looks at these subsidies. Now this does not seem to me to be an efficient or harmonious relationship and I'm sure that this exists in other areas. For that reason, I would endorse the comments that the previous speaker made in her conclusion, that there is a need for clarity in the relationships between the various audit bodies because it seems to me that a lot of this is doing work that could contribute to provide a greater level of assurance to the European Community, that their monies are being properly spent and we have two great advantages over the European Court of Auditors and the national audit offices, and that is, we are both independent and we are local, and I think it's the fact that we are local which should allow people to use us more for verification that monies are being properly spent and for using our skills, and that way I believe

we'll contribute to a higher level of assurance and confidence about the European funds. So I support the view of the previous speaker; I think this is an area that's got to be tidied up, and I think it's an area that EURORAI needs to apply itself to. Thank you. n