



**French Presidency of the Council of the European Union**

**Permanent Council  
24<sup>th</sup> July 2008**

**EU Talking points on the Audit Report of the External Auditor**

The EU is pleased that the External Auditor has again placed an unqualified opinion on the financial statements. The EU has already provided detailed comments on the External Auditor's Report in the ACMF. We are prepared to discuss all relevant recommendations in the appropriate bodies.

We note that the Auditor's conclusions are based not only on an analysis of the information provided by the Secretariat but also on evidence collected during visits to a number of the field missions. We commend the Auditor's aim to cover all field presences over the three year audit engagement and recognise the need for confidentiality between the Auditor and the audited missions and institutions.

The EU acknowledges the importance of addressing the key recommendations in the report and expresses its willingness engage in

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discussions with the Secretariat on the recommendations, including those points regarding Extra-Budgetary activity which directly concern the participating States which provide financial contributions, within the Advisory Committee on Management and Finance.

Nevertheless, we would also take this opportunity to reject the suggestion from the Russian Federation that 'the most obvious way out of the problem would be to have mandatory approval by the Permanent Council of all extra budgetary projects.'

In the EU's view, this would constitute undue micro-management. And in any event, the specific issues addressed by the External Auditor regarding handling of outstanding balances of extra-budgetary contributions would not be affected by any PC oversight.

La Turquie, Croatie\* et l'ancienne République yougoslave de Macédoine\*, pays candidats, l'Albanie, la Bosnie et Herzégovine et le Monténégro, pays du processus de stabilisation et d'association et candidats potentiels, l'Islande et la Norvège, pays de l'Association Européenne de libre-échange et membres de l'Espace économique européen se rallient à cette déclaration.

\*La Croatie et l'ancienne République yougoslave de Macédoine continuent à participer au processus de stabilisation et d'association.

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