

Facilitating Public Audit Understanding at the Community Level (Book Review)

Alexandru Țugui

Alexandru Ioan Cuza University of Iasi Faculty of Economics and Business Administration,
Romania

alexandru.tugui@yahoo.com

The problems which European Union is faced with, in terms of public finance, determines the extremely important place of the European Court of Auditors (ECA) in the EU institutional system. From year to year, since the debut of ECA (1975), the EU budgetary management was improved and the European citizen was properly informed about the way of using financial resources. In order to better understand the aspects concerning the audit of the manner in which the EU budgetary resources are used by various institutions that have public financial management attributions in this respect, the book entitled *The European Court of Auditors in the light of the TFEU stipulations and its derived legislation* (RO: *Curtea de Conturi Europeană în prevederile TFUE și ale legislației derivate*) is

designed to provide multiple explanations. Written by two university professors – Ionel Bostan and Ioan Hurjui, that are simultaneously occupying specialized functions on the Court of Accounts of Romania, this book (appeared at the Pro Universitaria Publishing House from Bucharest, 172 pages) illustrates a very useful breviary of the key elements regarding the audit carried out by ECA. Established from practical reasons, on absolutely legal bases, ECA carries out its audit activities within an inter-institutional framework provided by the Treaty on the Functioning of the European Union (TFEU) and the Financial regulation applicable to the general budget of the EU. Through the activity of the 28 members, ECA examines the legality of EU revenues and expenditures, it ensures the good financial management and highlights (through reports addressed to the Parliament) any detected irregularities. ECA's members cannot perform any other professional activity, whether it is remunerated or conducted on voluntary basis and does not request/ accept instructions coming from governments or other institutions. At the same time, they have to obey the Provisions of the Protocol regarding Privileges and Immunities of European Communities that concern the judges of the European Court of Justice. Currently, ECA examines

if financial operations have been properly recorder and presented, if they were executed in accordance with the existing rules and regulations and if they were managed according to the principles of economic perspective, efficiency and effectiveness. In specialty terms, this means that ECA is performing the audit activity (Financial audit, compliance audit and performance audit, respectively, to



which, as a matter of fact, the former author has paid attention directly, or indirectly also in other papers [1-7]).

The audit activity itself is focused on the European budgetary financial system, having a significant contribution to the improvement of the collection and use of this kind of resources, available to the European Commission. Obviously, the audit procedure is applied to all revenue and expenditure accounts of the European Union, but also of any other institution, office or agency appointed by the Union, to the extents in which the respective constitutive act does not exclude such control activity. The results of the audit missions are included in some specific reports which must be clear, relevant and objective, aspects that are presented in a detailed version in the present paper that we are referring to. ECA's annual report (along with its special reports) – provides a basis for the discharge procedure through which the European Parliament decides whether the European Commission has properly fulfilled its responsibilities concerning budget implementation or not.

ECA simultaneously forwards its annual report to the national parliaments, to the European Parliament and to the Council. The authors of the book emphasise, according to some documents regarding the impact of the activity of the institution, that its reports are reflecting high quality information and that the main entities which are interested in these reports consider it as being useful and appropriate. They have also underlined that the European Commission is consistently accepting the Court's recommendations and that the reports prepared on the status of actions launched on the basis of these recommendations are emphasising their positive impact. We could also mention the fact that even though the authors underline that the research is particularly targeting the specialists in the field – from academic/ higher education from Law and Economic area, or practitioners from financial control institutions, audit, etc. – the interest sphere concerning this book might be extended. Such thing might be justified in the light of selection/ indexing of the most important elements, based on the actual normative system, whose landmarks are presented at the end of the book. These aspects are addressed to a wide category of readers that are generally interested in control or audit and certainly facilitate their understanding. Also, the presentation of the specific terms and phrases in alphabetical order, associating here even a special developed index, is enabling to the maximum, the use of the breviary provided by the above mentioned authors, aspects as notable as possible.

References

- Bostan, I. & Radu, P. (2003). Controlul financiar și auditul intern la instituțiile publice, Iași, Publishing House Sedcom Libris.
- Bostan, I. (2003). Controlul fiscal, Iași, Publishing House Polirom.
- Bostan, I. (2005). Guidelines in the Audit of Risk Assessment. In Conference "Probleme actuale ale situației social-economice", Republic of Moldova, organized by the Economic Sciences Faculty, State University of Chișinău.
- Bostan, I. (2007). Drept financiar comunitar, Iași, Publishing House TipoMoldova.
- Grosu V. & Bostan, I. (2009). Analysis of Accounting Convergence Between EU and USA (IASH IFRS vs. USGAAP). Proceedings, vol. I, The 33rd the American Romanian Academy of Arts and Sciences (ARA) Congress Modernism and Progress in Arts and Sciences, Alma University
- Grosu, V. & Bostan, I. (2010). IAS/IFRS standards for SMEs and the impact on the Romanian accounting system. *International Journal of academic research*, 2 (4), 284-41.
- Tinica, G., Bostan, I. & Grosu, V. (2010). Corelații privind creșterea economică și evoluția costurilor aferente maladiilor cornice, Magazine Romana de Bioetica, 8 (3), 15-24.