

EU Contact Committee statement (CC 1/2021) in support of the constitutional role, mandate and independence of the Audit Office of the Republic of Cyprus, 17 May 2021

The [EU Contact Committee](#)¹ promotes effective external audit and accountability in the EU, and helps improve EU financial management and good governance for the benefit of its citizens.

The Contact Committee notes in this regard that one of its members, the Audit Office of the Republic of Cyprus, has recently faced substantial difficulties when performing audits on the *Cyprus Investment Programme*, notably:

- restrictions regarding timely, direct and free access to all relevant documents and information deemed necessary for audits;
- external attempts to influence its decisions concerning the publication of the corresponding reports.

The *Cyprus Investment Programme* allowed the Republic of Cyprus to grant citizenship in return for investments in Cyprus. The programme is relevant not only to the EU as a whole, but also to individual Member States, because of the internal market rules, notably those on the free movement of goods, capital, services and people. In order to ensure proper accountability, it is important to make it subject to public audit. The Contact Committee and its members therefore have a particular interest in the programme's unobstructed and effective audit by the Audit Office of the Republic of Cyprus.

The *acquis communautaire* provides for an operationally, institutionally and financially independent external audit function, which is in line with the Lima and Mexico Declarations² and with the standards of the International Organisation of Supreme Audit Institutions (INTOSAI). This includes the right for any supreme audit institution in the EU to:

- determine its audit programme;
- have unrestricted access to pertinent information;
- report on its work; and
- decide on the content and timing of its audit reports and on their publication and dissemination.

The Contact Committee considers any attempt to prevent the Audit Office of the Republic of Cyprus from properly carrying out its audits to be contrary to the fundamental principles of the European Union and the *acquis communautaire*, which places legally binding obligations on all EU Member States, and therefore calls on all relevant parties to respect the constitutional role of the Audit Office of the Republic of Cyprus and facilitate the implementation of its mandate.

¹ The EU Contact Committee is the assembly of the heads of supreme audit institutions of EU Member States and the European Court of Auditors.

² The Lima (<https://www.issai.org/pronouncements/intosai-p-1-the-lima-declaration/>) and Mexico Declarations (<https://www.issai.org/pronouncements/intosai-p-10-mexico-declaration-on-sai-independence/>) are also supported by UN General Assembly Resolutions A/66/209: Promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions (<https://undocs.org/A/RES/66/209>) and A/69/228: Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions (<https://undocs.org/en/A/RES/69/228>).