

Nomination for a Member of the European Court of Auditors: Hungary

Treaty provisions and appointment procedure

As set out in Article 285 of the Treaty on the Functioning of the European Union (TFEU), the European Court of Auditors (ECA) shall consist of one national of each Member State. Article 286 (2) of the TFEU further specifies that each Member State has the right to propose its candidate. The Council then adopts the list of Members as proposed by the Member States. Often, this is a partial renewal of the Court - only one or a few Members are appointed at the same time, as the mandates of the Members expire at different points in time. The Council can only act after consulting the European Parliament; in practice, the Committee on Budgetary Control (CONT) is responsible and the Member-designate of the ECA answers a questionnaire, makes a statement before the committee, and has to answer its questions in a public hearing. CONT then votes on the nomination and thus issues a recommendation to plenary, which votes within two (in practice sometimes three) months of receipt of the nomination. In case of an unfavourable opinion, the President shall ask the Council to withdraw its nomination and submit a new nomination (Rule 129 of the EP's Rules of Procedure). However, Parliament's opinion is not binding on the Council.

According to Article 286 (1) of the TFEU, potential Members of the ECA "shall be chosen from among persons who belong or have belonged in their respective States to external audit bodies or who are especially qualified for this office." In addition, their independence must be beyond doubt. The procedure according to which the Member States nominate varies widely. Some Member States have purely executive procedures in place while others involve their national parliaments in the process or use application procedures. Upcoming and recent nominations demonstrate a wide variety of procedures in different Member States.

Hungarian nomination¹

The State Audit Office (SAO) of Hungary, the Állami Számvevőszék, is part of the National Assembly (Országgyűlés), Hungary's parliament. The SAO reports to the National Assembly (NA) and is its financial and economic audit institution, assisting both the parliamentary committees and the audited entities in their work. The SAO conducts its audits according to a plan approved by its President. If this plan is changed, the SAO has to inform the NA. Based on the decision of its President, it may also conduct audits outside the plan. In addition, it has to conduct any audit the NA decides upon, and it may conduct audits at the request of the government or the EU. It uses legality, expediency and efficiency as its audit criteria and audits the implementation of the central budget, the management and use of public finances and the management of national assets.

The key legislations governing the work of the SAO are The Fundamental Law of Hungary and Act LXVI of 2011 on the SAO.² A President, elected by a two-thirds majority of the Members of the NA for a 12-year once-renewable term heads the SAO. Currently, the President is Dr László Windisch, who was appointed on 4 July 2022.³ Two Vice-Presidents support him, whom he has the right to nominate for a 12-year term.

As for the ECA, it is the Hungarian government that nominates the candidate. Based on § 70 of Act XXXVI of 2012 on the National Assembly, the government has to inform the NA of its nominee (as, among others, is the case for the candidates for the post as commissioner and as for judges at the European Court of Justice). The National Assembly has the right to hear the candidate before the government officially makes the proposal at European level. Both the committee dealing with European Union affairs and the standing committee competent in the relevant subject matter



may hear the candidate (legal basis: Resolution 10/2014. (II. 24.) OGY). The hearing(s) in committee and the results of the votes are public. The opinion of the NA is not binding for the government.

So far, the country has had three different ECA members, two of whom were male. Ms Ildikó Gáll-Pelcz's mandate expires on 31 August 2023; the Hungarian government has proposed her for a second term. The Committee of European Union affairs of the Hungarian NA heard her on 20 March 2023 and considered her suitable (without a vote or an official opinion of the committee).⁴ Her statement before the CONT committee will take place on 24 May 2023.

Ms Gáll-Pelcz has been ECA Member since 1 September 2017, replacing Mr Szabolcs Fazakas, whose mandate had come to an end. At the time, following a hearing with the nominee in the [CONT committee on 12 April 2017](#)⁵ and in line with the [report of the CONT committee](#)⁶, the European Parliament had given a [favourable opinion on her nomination on 27 April 2017](#).⁷ The Council appointed Ms Gáll-Pelcz as ECA member in [its decision of 16 May 2017](#).

Since the beginning of her mandate, Ms Gáll-Pelcz has been a member of Chamber IV of the Court, which is responsible for "Regulation of markets and competitive economy". In 2019 and 2020, she chaired the Internal Audit Committee and was a member of the Audit Quality Control Committee in 2021 and 2022.⁸ Prior to her ECA mandate, she was a Member of the European Parliament from 2010 to 2017, and both Vice President of the EP and Chair of its Audit Panel between 2014 and 2017. Between 2006 and 2010, she was a Member of the Hungarian National Assembly and Deputy Speaker in 2009-10. Between 1985 and 2010, she had various positions at the University of Miskolc, including as Director of the Institute of Business Science (2000-10). She holds degrees in mechanical engineering (1985) and as an engineer specialised in economics (1991), moreover a PhD in economics (1997). She qualified as a chartered accountant in 1993, as a chartered auditor and tax consultant in 1996 and as a tax expert in international taxation in 2004. In 2016, she wrote a thesis on "Taking advantage of the potential of the single Market" for her habilitation.

Example for a nomination procedure at national level: Austria

In Austria, the government is responsible for making proposals for the country's commissioner, Judge at the European Court of Justice, Member of the European Court of Auditors and the member of the Board of Directors of the European Investment Bank. It has the duty to inform the Austrian federal parliament ("Nationalrat") and the federal President of its intentions. The parliament's main committee ("Hauptausschuss") has to agree on these proposals.

Upcoming nominations in the remainder of the legislature

For Belgium, Denmark, Ireland, Spain, Italy, Finland and Sweden, the current mandates expire on 29 February 2024, and the nominations are likely to take place before the end of the EP's current legislature in 2024. The Portuguese post at the ECA is vacant since the death of Mr João Figueiredo on 30 June 2021, and it is not clear whether it will be filled before the expiry of the current mandate on 29 February 2024. Moreover, Slovakia (expiry of current mandate 06/05/2022) will have to present a new candidate following the withdrawal of Mr Klus when rejected by the EP.

¹ This text has benefitted from the answers to request 4679 on 'National Nomination Procedures for Members of the European Court of Auditors (ECA)' launched through the ECPRD (European Centre for Parliamentary Research and Documentation) network. The following national parliaments responded to the request: Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic (lower house), Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain (lower house) and Sweden. The authors wish to thank all correspondents.

² https://www.asz.hu/files/Legal_Framework_v2.pdf

³ <https://op.europa.eu/webpub/eca/book-state-audit/en/#h-14>

⁴ <https://www.parlament.hu/documents/static/biz42/bizjv42/EUB/2303201.pdf>

⁵ Ms Gáll-Pelcz's hearing starts at 09:32 of the recording.

⁶ Texts tabled: [A8-0166/2017](#), 16 votes to 2, 2 abstentions.

⁷ Texts adopted: [P8_TA\(2017\)0137](#), 326 votes to 126, 193 abstentions.

⁸ https://www.eca.europa.eu/Other%20publications/COMPOSITION/COMPOSITION_EN.pdf

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