*Article 10* (paragraphs 1 and 2 to be replaced by the following text)

1. Without prejudice to the provisions of Article 80 of the Financial Regulation of 21 December 1977, the Commission shall ascertain:

(a) from the Bank, that the mandate laid down in Article 2 is being carried out;

(b) how the grants, which it administers directly, are used by the recipients.

2. (former paragraph 3)

The Commission shall inform the Council ...

Adopted on 23 May 1978.

Marcel MART

*Member of the Court of Auditors*

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**Opinion of the Court of Auditors on the draft Regulation on the application of the provisions of Protocol 1 to the Cooperation Agreements concluded with Algeria, Morocco, Tunisia, Egypt, Lebanon, Jordan and Syria and the Financial Protocols concluded with Malta and Cyprus**

The Court of Auditors:

— Having regard to the Commission proposals COM(77) 68 final and COM(78) 18 final, which have been submitted to it for opinion,

— Considers that it would be desirable, in this text, to refer to the opinion of the Court by replacing the reference in Article 2 to the Financial Regulation of 25 April 1973 with a reference to the Financial Regulation of 21 December 1977,

— Notes that a large proportion of the aid shown in the budget of the European Communities is administered by the European Investment Bank,

— Considers that, in so far as the roles of the internal and external audits are not clearly defined in the application Regulation, the procedures provided for dividing the administration of Community aid between the European Investment Bank and the Commission are of a nature to lead to inter-institutional disputes,

— Stresses that it retains, even for aids shown in the budget which are entrusted to the administration of the European Investment Bank, the responsibility for audit laid down in Article 206 (a) of the Treaty,

— Requests that it be stipulated that the provisions of Articles 2 and 11, first paragraph, do not impair its powers of scrutiny.

**Proposed amendments to the text**

*Article 2* (paragraph 4 to be added)

4. The provisions of paragraphs 2 and 3 shall not prejudice the auditing powers conferred upon the Court of Auditors by Article 206 (a) of the Treaty, the procedures for which are laid down under Articles 80 and 82 of the Financial Regulation of 21 December 1977.

*Article 11, first paragraph*

Without prejudice to the provisions of Article 80 of the Financial Regulation of 21 December 1977, the Commission shall ascertain ...

Adopted on 23 May 1978.

Marcel MART

*Member of the Court of Auditors*

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