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*Plenary sitting*

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**A8-0198/2015**

22.6.2015

# REPORT

on the nomination of Bettina Michelle Jakobsen as a Member of the Court of  
Auditors  
(C8-0122/2015 – 2015/0803(NLE))

Committee on Budgetary Control

Rapporteur: Igor Šoltes

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## **PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION**

**on the nomination of Bettina Michelle Jakobsen as a Member of the Court of Auditors  
(C8-0122/2015 – 2015/0803(NLE))**

### **(Consultation)**

*The European Parliament,*

- having regard to Article 286(2) of the Treaty on the Functioning of the European Union, pursuant to which the Council consulted Parliament (C8-0122/2015),
- having regard to Rule 121 of its Rules of Procedure,
- having regard to the report of the Committee on Budgetary Control (A8-0198/2015),
- A. whereas Parliament's Committee on Budgetary Control proceeded to evaluate the credentials of the nominee, in particular in view of the requirements laid down in Article 286(1) of the Treaty on the Functioning of the European Union;
- B. whereas at its meeting of 17 June 2015 the Committee on Budgetary Control heard the Council's nominee for membership of the Court of Auditors;
- 1. Delivers a favourable opinion on the Council's nomination of Bettina Michelle Jakobsen as a Member of the Court of Auditors;
- 2. Instructs its President to forward this decision to the Council and, for information, the Court of Auditors, the other institutions of the European Union and the audit institutions of the Member States.

## **ANNEX I: CURRICULUM VITÆ OF BETTINA MICHELLE JAKOBSEN**

### **Education**

Master of Public Governance (MPG), University of Copenhagen and Copenhagen Business School (CBS), 2012

Various Djøf-certificated management courses (Djøf – Danish Union of Jurists and Economists)  
KIOL – course in public management, 2004-2005

Diploma in Business Administration – modules, Copenhagen Business School, 1993-1995

Degree in Law, University of Copenhagen, 1990

University entrance qualification – specialisation in modern languages, Espergærde

Amtsgymnasium, 1982

### **Employment**

Assistant Auditor General (salary grade 39), the Danish National Audit Office, from  
1 October 2009

Assistant Auditor General (salary grade 38), the Danish National Audit Office, from 17 May 2005

Director (salary grade 37), the Danish National Audit Office, from 1 June 2002

Auditor, the International Board of Auditors for NATO, NATO Headquarters, Brussels, Belgium,  
1997-2002

Special advisor, the Danish National Audit Office, 1996

Head of Section, the Danish National Audit Office, 1 May 1990

Administrator, Copenhagen City Council, February – May 1990

During studies:

- Student assistant, Copenhagen City Council's secretariat
- Volunteer, Police Commissioner's office, Frederikssund
- Student assistant, Advokaterne Bredgade 3 (law firm), Copenhagen

## **Professional experience**

### **2013 – to date**

Assistant Auditor General heading the Citizens' Department, which is responsible for performing audits in key citizen-related areas, i.e. the Ministry of Employment, the Ministry of Children, Gender Equality, Integration and Social Affairs, the Ministry of Economic Affairs and the Interior, the Ministry of Health, the Ministry of Ecclesiastical Affairs and the Ministry of Culture. Financial, compliance and performance audits of six ministries, central government repayments to municipalities and region performance audits. Management of four directors and around 50 members of staff. Member of the Danish National Audit Office's management team (executive board).

As Assistant Auditor General, I have been responsible, amongst other things, for various citizen-related reports to the Public Accounts Committee, covering for instance: women's shelters, measures taken to help the homeless, case-processing times in state administrative bodies, incorrect social security payments, integration measures, supervision of mental health in the work place and research resources in hospitals.

As Assistant Auditor General, I have been responsible for drawing up reports to the Public Accounts Committee on the auditing of State accounts for 2013 and 2014.

### **2010-2013**

Assistant Auditor General for Section A (reports section) with responsibility for the preparation of major surveys carried out in the Ministry of Business and Growth, the Ministry of Employment, the Ministry of Food, Agriculture and Fisheries, the Ministry of Housing, Urban and Rural Affairs, the Ministry of Social Affairs and Integration, the Ministry of Health, the Ministry of Transport, the Ministry of Climate, Energy and Building, the Ministry of the Environment, as well as performance audits in the five national regions. Management of four directors and around 40 members of staff. Member of the Danish National Audit Office's management team (executive board).

As Assistant Auditor General, I was responsible, amongst other things, for various reports to the Public Accounts Committee, covering for instance: the objectives and results of and follow-up to cancer treatment, the State's protection of groundwater from pesticides, the building of hospitals, the allocation of an individual State guarantee to Amagerbanken and the effect of activating recipients of social benefits who are not ready to join the labour market.

## **2005-2009**

Assistant Auditor General for Section C (annual audits section) with responsibility for financial and compliance audits of the Prime Minister's Office, the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of Economic and Business Affairs, the Ministry of Science, Technology and Innovation, the Ministry of Transport, the Ministry of Climate, Energy and Building as well as nationwide pay audits carried out by the Danish National Audit Office. Management of four or five directors and around 55 members of staff. Member of the Danish National Audit Office's management team (executive board).

As Assistant Auditor General, I was responsible for drawing up reports for the Public Accounts Committee on the auditing of State accounts for 2004, 2005, 2006, 2007 and 2008.

As Assistant Auditor General, I was responsible for liaising with the Ministry of Finance, which required comprehensive knowledge of developments in financial management, administration and Treasury management.

## **2002-2005**

As director of Unit C3 at the Danish National Audit Office, I was responsible for the financial and compliance audits of the Ministry of Foreign Affairs, the Ministry of Transport and Energy, the Ministry of Economic and Business Affairs as well as of half of the Ministry of Science. I was directly responsible for 17 members of staff.

## **1997-2002**

Auditor at the International Board of Auditors for NATO, Brussels. I was the first Danish national to fill such a position for 27 years and the first woman ever to work as an auditor at NATO. The work included the financial, compliance and performance audits of the various NATO organisations and projects. It also comprised audits carried out on NATO's NSIP infrastructure programmes, which involved extensive travel across all NATO member states. Good knowledge of international auditing and accounting standards and use of English and French as working languages. Considerable practical and professional experience in an international organisation.

## **1993-1997**

Financial, compliance and performance audits of the Ministry of Education and the Ministry of Science.

## **1990-1993**

Head of Section, National Audit Office of Denmark. Financial, compliance and performance audits for the Ministry of Culture and the Nordic Council institutions. Participation in Nordic cooperation between national audit offices.

### **February – May 1990:**

Administrator in the Municipality of Copenhagen

Legal casework, including the registration of mortgages and loans.

### **International experience**

**2014 – 2017:** Appointed by the European Investment Bank (EIB) as a member of the Audit Committee of the European Investment Fund (EIF) in Luxembourg. The EIF has a balance-sheet total of more than EUR 2 billion in 2014 and finances small and medium-sized enterprises in Europe through guarantees and venture capital. The Audit Committee is responsible inter alia for verifying that the Fund's activities are organised in an appropriate way and are properly audited. The Audit Committee cooperates with the European Court of Auditors in audits of various projects, etc. For further information, please see [www.eif.org](http://www.eif.org).

**May 2013:** Keynote speaker at the World Bank and African Development Bank Conference in Abu Dhabi on public financial management development in the Arab region.

**2012 – 2016:** Designated by the Auditor General as Chair of the INTOSAI Professional Standards Committee (PSC), which draws up public auditing standards applicable to national audit offices throughout the world. In addition to my tasks as Vice-Chair of the Committee, the focus is on developing a sustainable organisation in order to ensure that INTOSAI (International Organization of Supreme Audit Institutions) has a professional and robust structure for the development of public auditing standards. The PSC's work is described in more detail in the note from the National Audit Office of Denmark to the Danish Public Accounts Committee dated November 2012 (enclosed).

**2011 – 2017:** Appointed by the Minister for Economic Affairs and Business as the Danish member of the Audit Committee of the European Investment Bank (EIB) in Luxembourg. The EIB is the European Union's bank, with a balance-sheet total of over EUR 542 billion in 2014. The Audit Committee performs a governance function and is responsible inter alia for verifying that the EIB's activities are conducted in a transparent and proper manner, that the Bank has adequate risk management and the requisite internal controls, and that it conforms to best banking practice. The Audit Committee cooperates with the European Court of Auditors in audits of projects, etc. For further information, please see [www.eib.org](http://www.eib.org).

**2008 – 2011:** Danish member and elected chair of a newly established audit committee at the Council of Europe in Strasbourg, an organisation whose remit includes the European Court of Human Rights in Strasbourg. Responsibilities included advising the Council of Europe and the Secretary-General on audit-related matters, ensuring effective and proper management and financial governance and facilitating coordination between internal and external audits.

**2007 – 2012:** Vice-Chair of the PSC. On behalf of the Auditor General, I chaired the annual meetings of the PSC Steering Committee in Bahrain (2007), Brazil (2009), Copenhagen (2010), New Zealand (2011), Stockholm (2012), Beijing (2013) and Bahrain (2014). Tasks included chairing meetings involving 50-60 international delegates, defining the PSC's strategy and development and developing international standards (ISSAI), norms and principles for auditing in the public sector.

**2007:** Presenter at the World Bank's transition seminar for developing countries in Washington, focusing on transparency in accounting and the sound administration of public funds.

**2006:** Presenter at the 2006 IFAC World Congress in Istanbul. Presentation on INTOSAI's work on public auditing standards.

**2003 – 2005:** Represented INTOSAI in the development of international auditing standards in cooperation with IFAC (International Federation of Accountants), with a special focus on standards for financial statements (e.g. ISA 700).



## **Other experience**

**2014 – 2015:** Chaired a joint working party of the FSR – Danish Auditors and the National Audit Office of Denmark tasked with drawing up common guidelines on the management and auditing of State subsidies and a standard approval procedure for project grants.

**2009 and 2011:** Organised and hosted the two national conferences on public auditing held by the National Audit Office of Denmark in 2009 and 2011. The 2011 conference focused on the value of auditing in the public sector and aimed to illustrate how auditing can further support development and innovation in that sector.

**2008 – 2010:** Member of the Danish Accountancy Council, one of whose tasks is to act as a sounding board for the Ministry of Finance in questions concerning the development of the national accounting standards.

Many years' experience as a management mentor in Djøf's mentorship programme, which means that I share my experiences and skills with various mentees, typically new heads.

Fluent English, good working knowledge of French, reasonable level of German.

Previously an active parachutist – now a spectator, opera, literature and gardening.

## **References**

Lone Strøm, Auditor General.

Jørgen Mohr, former Auditor General and former member of the European Court of Auditors.

## **ANNEX II: ANSWERS BY BETTINA MICHELLE JAKOBSEN TO THE QUESTIONNAIRE**

### **Professional experience**

#### **1. Please highlight the main aspects of your professional experience in public finance, management or management auditing.**

I joined the National Audit Office of Denmark (NAOD) in 1990 – and have more than 25 years of experience in public-sector auditing. Over the years, I have accumulated a considerable knowledge of financial, compliance and performance auditing, which are the three main types of public-sector auditing.

For several years, I have been responsible for the annual report on the financial audit of the Danish state accounts to the Public Accounts Committee of the Danish Parliament. The reports include observations and recommendations on financial management, internal control and risk management in the public sector.

In addition, I am responsible for various compliance and performance audit reports and memoranda to the Public Account Committee. The reports cover a wide field and reflect what the NAOD considers essential in order to contribute to sound financial management of public funds and to enhance an effective public administration. Some special reports pertain to specific areas of activities in a single ministry whereas others are cross-cutting. The subjects range from health services (e.g. hospital efficiency, purchase of pharmaceuticals and cancer treatment), services provided to citizens (e.g. homeless, immigrants and use of earmarked grants to various citizen-oriented projects), environmental issues and reports on prudential supervision of banks in the wake of the financial crisis.

My professional background includes two master's degrees – one in law from University of Copenhagen and one in Public Governance from University of Copenhagen and Copenhagen Business School. In addition, I have substantial management experience, having served as an Assistant Auditor General for more than 10 years.

In 1997, I joined the International Board of Auditors for NATO in Brussels. I was the first female auditor ever to be recruited by the Board. In my career I have on several occasions been the only female representative, for instance in audit committees, and I am therefore not unfamiliar with working in a male-dominated environment.

My time in NATO sparked my interest for participating in the public-sector audit environment at an international level. Accordingly, I have participated in various international audit cooperation exercises, ranging from private and public-sector audit standard setting to being a member of several international audit committees.

During the years, I have been a representative for INTOSAI (The International Organisation of Supreme Audit Institutions) in the cooperation with IFAC (International Federation of Accountants) in the development of the ISA auditing standards. Currently, I am Chair of INTOSAI's Professional Standards Committee (PSC) and responsible for developing the

International Standards of Supreme Audit Institutions (ISSAIs) with the aim to promote independent and effective auditing by Supreme Audit Institutions (SAIs). I have also experience from being a member of three international audit committees, which are independent bodies with a governance function. It includes the Audit Committee of the Council of Europe in Strasbourg, which I chaired for three years. Until recently, I was also a member of the Audit Board of the European Investment Fund (EIF) and a member of the Audit Committee of the European Investment Bank (EIB) in Luxembourg.

I believe that my substantial experiences in public sector auditing, my management experiences and my international audit experiences would be an asset to the work carried out by the Court of Auditors.

## **2. What are the three most important decisions to which you have been party in your professional life?**

In my experience, public-sector auditing is essential in that it provides legislative and oversight bodies, those charged with governance and the general public with independent and objective assessments concerning the stewardship and performance of government policies, programmes or operations.

In my professional life, I have always tried to use my experiences in public-sector auditing to enhance accountability and transparency, encouraging continuous improvement and sustained stakeholder confidence in the appropriate use of public funds and assets and the performance of public administration. The three examples I have chosen all relate to public-sector auditing.

### **1) Making a difference to the life of citizens**

Public-sector auditing is an important factor in making a difference to the lives of the citizens (see United Nations General Assembly Resolution A/66/209). As part of the top management of the NAOD, I participate in a number of strategic decisions, for instance in the context of setting up our annual Strategic Work Plan. A few years ago, the NAOD decided to increase the focus, and the priority given, to performance audits dealing with topics that had a real impact on the life of citizens.

Following that decision, I have been responsible for initiating and producing a wide range of citizen-oriented performance audits reports, focusing on topics such as women's shelters, the integration effort, incorrect payments of social benefits, the services provided to homeless people, disease prevention at the population level, and the objectives, results and follow-up on cancer treatment.

Since their publication, many of the reports have resulted in political action, as stakeholders and citizens are able to hold the custodians of public resources accountable. The special report on women's shelters has for instance resulted in an enhanced focus from the municipalities responsible for the shelters to ensure that women receive the support to which they are entitled, i.e. family counselling and psychological therapy for the children. Based on the variety of reports and the political initiatives taken as follow-up actions I believe that I have made a difference to the life of citizens through public-sector auditing.

### **2) Enhancing the credibility, quality and professionalism of public-sector audit**

Since my NATO-days, I have taken a keen interest in participating in the public-sector audit

environment at an international level. From 2007 to 2012, I have been Vice Chair and from 2012 Chair of INTOSAI's Professional Standards Committee (PSC). The PSC develops and maintains the International Standards of Supreme Audit Institutions (ISSAI) and INTOSAI Guidance for Good Governance (INTOSAI GOV). The ISSAIs are the professional standards governing public sector auditing around the world and INTOSAI GOVs provide guidance directed at public authorities.

Upholding high quality professional standards and guidelines are essential for the credibility and professionalism of public-sector auditing. Since becoming Chair of the PSC, I have therefore focused on encouraging activities aimed at enhancing the knowledge and use of the ISSAI framework for professional standards, ranging from the Lima Declaration as the founding principle to the general auditing guidelines.

More than 70 SAIs – including the Court of Auditors - are involved in the PSC. As Chair, I have had the pleasure of cooperating with numerous SAIs, sometimes with quite different perspectives and priorities. Hence, I have gained a lot of experience in negotiating with other international parties and have learned the art of compromising in situations where this is needed to achieve results.

I have also supported a stronger competency base for INTOSAI's standard setting and during my time as Chair a number of significant public sector auditing standards has been added to the framework, for instance the new Fundamental Auditing Principles (ISSAI 100 – 400). ISSAI 100 establishes the fundamental principles, which are applicable to all public-sector audit engagements, irrespective of their form or context. ISSAIs 200, 300 and 400 build on and further develop the principles to be applied in the context of financial, performance and compliance auditing respectively. In my opinion, I have made a valuable contribution to enhancing the credibility, quality and professionalism of public-sector auditing worldwide.

### **3) Ensuring sustained stakeholder confidence in the use of earmarked funds**

In 2014 - 2015, I chaired a joint working group tasked with drawing up common guidelines on the management and auditing of State subsidies and a standard approval procedure for project grants. It includes projects with a variety of objectives, dimensions and complexity, and some areas are subject to audits by private sector auditors.

As Chair of the working group, I especially emphasized the importance of providing specific guidance on:

- Clear and operational objectives and strategies for grants and subsidies
- The legality of spending
- A transparent selection procedure for choosing applicants
- Transparent reporting and publication of the results achieved
- Achieving value for money

Chairing the working group also included ensuring the full commitment of all participants, setting a clear direction for the work to be done and the formulation of clear conclusions and recommendations. The working group produced its report in April 2015, which includes guidelines for a thorough and correct management of earmarked grants and subsidies and emphasizes the requirements and specificities of public-sector auditing. The working group invited staff from all ministries to attend a seminar to present the report and to enhance

knowledge sharing on how to manage grants and subsidies. More than 130 ministry staff attended the seminar.

During the same period of time, I also initiated and produced a number of financial and performance audit reports on the use of earmarked grants and subsidies, for instance a special report on external research funds at Danish hospitals. I believe that these activities and my significant role therein have contributed to enhanced transparency and sustained stakeholder confidence in the appropriate use of earmarked subsidies and grants in public administration.

## **Independence**

### **3. The Treaty stipulates that the Members of the Court of Auditors shall be ‘completely independent’ in the performance of their duties. How would you act on this obligation in the discharge of your prospective duties?**

The independence of the Members of the Court of Auditors is a vital precondition for the institution’s ability to operate.

In my prospective duties as a Member of the Court of Auditors, I would continue to abide by the same ethical standards that I am currently subject to in the NAOD.

In accordance with the Lima Declaration (ISSAI 1), the independence of SAIs is inseparably linked to the independence of its members. In their professional careers, audit staff of SAIs must not be influenced by the audited organisations and must not be dependent of such organisations. ISSAI 20 (Transparency and Accountability for SAIs) also requires that SAIs apply high standards for integrity and ethics for staff at all levels. Transparency International, in its National Integrity System assessment report, recently identified the NAOD as a very strong pillar in the Danish system of integrity.

I would continue to carry out my assignments with all possible guarantees of objectiveness, neutrality and impartiality. In doing so, I would not take instruction from governments or other parties in the discharge of my prospective duties.

If a situation arose whereby a matter might give rise to even an appearance of a conflict of interest, I would immediately consult with the President of the Court of Auditors. In case the matter could lead to a potential or actual conflict of interest, I would ask the President to be relieved of the matter concerned and ask that the assignment be transferred to another member of the Court of Auditors.

### **4. Have you been granted discharge for the management duties you carried out previously, if such a procedure applies?**

Such a procedure does not apply in Denmark

### **5. Do you have any business or financial holdings or any other commitments, which might conflict, with your prospective duties? Are you prepared to disclose all your financial interests and other commitments to the President of the Court and make them public? If you are involved in any current legal proceedings, would you please**

### **give details?**

I have no business or financial holdings or any other commitments, which might conflict with my prospective duties. I have recently tendered my resignation as a member of the Audit Committee of the European Investment Bank and the Audit Board of the European Investment Fund.

In line with the Court's Code of Conduct for Members, I am of course prepared to disclose all my financial interest and other commitments to the President of the Court of Auditors and make them public. I am not involved in any current legal proceedings.

### **6. Are you prepared to step down from any elected office or give up any active function with responsibilities in a political party after your appointment as Court Member?**

I do not hold any elected office or any active function with responsibilities in a political party. I am not a member of a political party.

### **7. How would you deal with a major irregularity or even fraud and/or corruption case involving persons in your Member State of origin?**

In public-sector auditing an auditor should maintain professional scepticism and professional judgement throughout the audit, recognizing the possibility that irregularities or fraud could exist, irrespective of the auditor's past experience of the honesty and the integrity of the entity's management or those charged with governance.

In accordance with Article 287 (2) TFEU the Court of Auditors shall examine whether all revenue has been received and all expenditure incurred in a lawful and regular manner and whether the financial management has been sound. The Court of Auditors reports on any cases of irregularity.

Personally, I advocate the principle of zero-tolerance against fraud and corruption. The Court of Auditors is required to cooperate with the European Anti-Fraud Office (OLAF) in its investigations to combat fraud, corruption and other illegal activities detrimental to the financial interest of the Union.

Irrespective of the person or Member state concerned, I would ensure that any incident of suspected fraud or corruption, uncovered in the course of an audit for which I was responsible, was reported to OLAF without undue delay.

### **Performance of duties**

### **8. What should be the main features of a sound financial management culture in any public service?**

A key element in a sound financial management culture is that governments and other public-sector entities exercise responsibility for the use of resources derived from taxation and other sources in the delivery of services to citizens and other recipients. Public entities are accountable for their management and performance, both to those that provide the resources and to those, who depend on the services delivered. In my opinion, a sound financial

management culture is an essential prerequisite for providing citizens with the required services and to make stakeholders oversight as effective as possible.

Based on my public-sector audit experiences a sound financial management culture in any public service should at least include the following elements:

- Clear and operational objectives and strategies
- Information and training of employees
- Clearly defined areas of authority and responsibilities
- Focus on the legality of spending
- An effective internal control system
- An efficient management information and reporting system
- Transparent reporting and publication of the results achieved
- A healthy and ethical management culture
- Focus on achieving value for money

To ensure that these key elements are in place and are being applied consistently, robust audit arrangements need to be in place.

An effective external auditor should perform audits of operations, recommend ways to improve operations and strike the right balance between risks and the cost of controls as well as follow up the effective implementation of audit recommendations.

**9. Under the Treaty, the Court is required to assist Parliament in exercising its powers of control over the implementation of the budget. How would you describe your duties with regard to reporting to the European Parliament and, in particular, its Committee on Budgetary Control?**

The Court's mandate, as established under the Treaty, provides the framework for the Court of Auditors to fulfil its role as the independent external auditor of the EU budget. While the mandate leaves the Court of Auditors a significant level of flexibility on how best to fulfil its role and maximise its impact, I believe it is important to recognise that the added value of the Court's reports depend on the use made of these reports by its stakeholders.

I consider it essential to have a good and constructive contact with the Court's political stakeholders, such as the Parliament and in particular the Committee on Budgetary Control, in order to ensure that the Court's audit reports meet the needs of its stakeholders. A prerequisite for achieving the maximum impact is that the recipients of the reports perceive these as being relevant and timely. Furthermore, the impact of audit reports can be increased by an effective communication policy and by engaging in dialogue with stakeholders on the conclusions and recommendations made in the reports.

I believe that the Court of Auditors has recognised its need to improve the relevance and timeliness of its special reports and is also pursuing ways of added value to its annual report, going beyond the error rate.

At the NAOD, we have recently streamlined the processes for performance auditing and are now in a position to deliver performance audit reports to the Public Accounts Committee within 12 months (including the planning phase). In my prospective duties, I would seek to

utilise the experiences I have gained from having participated in the streamlining of procedures at the NAOD to the benefit of the Court of Auditors and the Parliament.

In my prospective duties, I would thus seek to contribute to the continuous improvement of the Court's reports and, in this process, encourage regular exchanges of views with the Committee on Budgetary Control in order to consider its feedback on significant changes made.

I intend to promote and support an effective and sustainable cooperation between the Court of Auditors and the European Parliament – in particular the Committee on Budgetary Control – to the best of my abilities. I would therefore be most willing to present and explain the Court's various reports and audit observations before Parliament bodies, and contribute to hearings etc., in order to make the Parliament's oversight of EU funds as effective as possible.

#### **10. What added value do you think performance auditing brings and how should the findings be incorporated in management procedures?**

Performance auditing is an independent, objective and reliable examination of whether government or EU undertakings, systems, operations, programmes or activities are operating in accordance with the principles of economy, efficiency and effectiveness (the 3 E's) and whether there is room for improvement. In my opinion, the key element of performance audit is to ensure that value for money of approved funds has been obtained and that the intended results or impacts are fully achieved.

In public-sector auditing, the 3 E's are defined as follows:

- 1) The principle of **economy** means minimising the costs of resources, with due regard to quality. The resources used have to be available in due time, in and of appropriate quantity and quality and at the best price.
- 2) The principle of **efficiency** means getting the most from the available resources. It is concerned with the relationship between resources employed and outputs delivered in terms of quantity, quality and timing.
- 3) The principle of **effectiveness** concerns meeting the objectives set and achieving the intended results.

In my experience, performance auditing seeks to provide new information, analysis or insights and, where appropriate, recommendations for improvement. During a performance audit, the auditor examines the performance of a specific subject matter against suitable criteria, and the causes of deviations from those criteria or other problems identified are analysed. The aim is to answer key audit questions and to provide management with recommendations for improvement.

Performance auditing is also known as Value for Money auditing, and it contributes to good governance, accountability and transparency. Proper use of EU funds is of importance for all EU citizens and the Court of Auditors plays a crucial role in providing relevant performance audit reports. In the wake of the financial crisis performance auditing could be a particularly effective means of providing answers to EU citizens and stakeholders about the implementation of EU programmes and policies in order to ensure that scarce public funds are utilised to achieve the maximum impact.



In my opinion, performance audit reports from the Court of Auditors should provide the European Parliament – and the Committee on Budgetary Control – with a robust basis for Parliament’s decision-making on the use of EU funds and holding the Commission to account. Performance audit reports should provide stakeholders with relevant and timely information on the spending of EU funds and the execution and implementation of programmes and projects at both Commission and Member State level.

The reports should in addition make clear and concise audit recommendations to management on how to improve programmes and projects – with a particular view of encouraging best practise and obtaining value for money. Management has a responsibility to address the weaknesses identified during the audit. It is therefore important that a clear allocation of responsibilities within the management structures exists as to what should be done, by whom and when. In addition, an internal audit service could play an important role in strengthening these aspects.

In my experience, performance auditing normally has a retroactive perspective but the recommendations included in an audit report contain a significant amount of knowledge that can be utilised forward-looking.

#### **11. How could cooperation between the Court of Auditors, the national audit institutions and the European Parliament (Committee on Budgetary Control) on auditing of the EU budget be improved?**

Article 287(3) TFEU states that, where audit is carried out in Member States, the Court of Auditors and national audit bodies shall cooperate in a spirit of trust while maintaining their independence.

Eighty percent of the EU budget is spent under shared management between the Commission and the Member States, which makes the cooperation between the Court of Auditors and the SAIs essential. In my opinion, the Contact Committee of the European Supreme Audit Institutions provides a good platform for such cooperation. As an example, there are ongoing discussions concerning audit cooperation in the context of the Europe 2020 Strategy.

However, just as in many other audit relations there is room for encouraging continuous improvement in the relationship between the Court of Auditors, the national audit institutions and the European Parliament on the audit of the EU budget.

In my opinion, an increased cooperation between the Court of Auditors and the SAIs would be beneficial, for instance on sharing knowledge on audit planning, audit experiences and audit results. Another item for cooperation could be on exchanging experiences from streamlining the processes for performance auditing so that the special reports to Parliament could be delivered within a shorter timeframe. Learning from each other’s experiences would be very beneficial in order to produce timely and relevant information to stakeholders.

In the NAOD, we have increased our audit work on EU funding. As one of a few number of SAIs, we issue an audit opinion on the legality and regularity of the EU funds spend in Denmark based on the audit work performed. We have also submitted several special reports to the Public Accounts Committee on the audit of EU funds in Denmark, most recently two

reports in 2014.

For a number of years I have been an active champion of the cooperation between SAIs, whether in the context of establishing audit standards, sharing knowledge and experiences or conducting joint or parallel audits. In my prospective duties, I would continue to strive towards an enhanced and constructive dialogue and support an effective cooperation between the Court of Auditors, the national audit institutions and the European Parliament in order to strengthen the accountability of EU funds.

### **Other questions**

#### **Would you withdraw your candidacy if Parliament's opinion on your appointment as Member of the Court were unfavourable?**

I am very committed to becoming a Member of the Court of Auditors, serving to the best of my ability, and working closely with the Parliament and its Committee on Budgetary Control. I hope that my written and oral evidence will demonstrate that to the satisfaction of the Members of the European Parliament.

The Treaty specifically requires the independence and the professionalism of the Members of the Court of Auditors. If Parliament were in doubt about my independence and professional abilities and if this led it to hold an unfavourable opinion regarding my appointment, I would withdraw my candidacy.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	17.6.2015
<b>Result of final vote</b>	+: 18 -: 0 0: 0
<b>Members present for the final vote</b>	Inés Ayala Sender, Ryszard Czarnecki, Dennis de Jong, Ingeborg Gräßle, Bogusław Liberadzki, Dan Nica, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Igor Šoltes, Bart Staes, Michael Theurer, Tomáš Zdechovský
<b>Substitutes present for the final vote</b>	Monika Hohlmeier, Andrey Novakov, Julia Pitera, Patricija Šulin
<b>Substitutes under Rule 200(2) present for the final vote</b>	Gabriele Preuß