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*Plenary sitting*

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**A8-0027/2018**

22.2.2018

# REPORT

on the nomination of Annemie Turtelboom as a Member of the Court of  
Auditors  
(C8-0008/2018 – 2018/0801(NLE))

Committee on Budgetary Control

Rapporteur: Indrek Tarand

## CONTENTS

	<b>Page</b>
PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION .....	3
ANNEX 1: CURRICULUM VITÆ OF ANNEMIE TURTELBOOM .....	4
ANNEX 2: ANSWERS BY ANNEMIE TURTELBOOM TO THE QUESTIONNAIRE .....	5
PROCEDURE – COMMITTEE RESPONSIBLE .....	13

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

**on the nomination of Annemie Turtelboom as a Member of the Court of Auditors  
(C8-0008/2018 – 2018/0801(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 (C8-0008/2018),
  - having regard to Rule 121 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A8-0027/2018),
- 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 20 February 2018 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 Annemie Turtelboom 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 1: CURRICULUM VITÆ OF ANNEMIE TURTELBOOM**

### **Public offices and duties**

2016 – Current	Member of the Belgian Federal Parliament
2014 – 2016	Deputy First Minister, Minister for Budget, Finance and Energy, Government of Flanders
2012 – 2014	Minister for Justice, Federal Government of Belgium
2009 – 2012	Minister for Home Affairs, Federal Government of Belgium
2008 – 2009	Minister for Asylum and Migration, Federal Government of Belgium
2008 – 2014	Member, Justice and Home Affairs Council, European Union
2010	President, Justice and Home Affairs Council, European Union
2003 – 2007	Member of the Belgium Federal Parliament
2012 – Current	Member of the City Council of Antwerp
2012 – Current	Member of the Board of Directors, Port of Antwerp
2006 – 2012	Member of the City Council of Puurs
2000 – 2006	Member of the Public Centre for Social Welfare of Puurs
2008	Member of Staff, Office of the Prime Minister
2001 – 2003	Head of Marketing Department, Katholieke Hogeschool Leuven
1993 – 2001	Lecturer, Katholieke Hogeschool Leuven

### **Education**

1993	MA in Economics (distinction), Katholieke Universiteit Leuven
1988	Teacher Certificate, Guardini

### **Languages**

Dutch	Native language
English	Fluent
French	Fluent

## **ANNEX 2: ANSWERS BY ANNEMIE TURTELBOOM TO THE QUESTIONNAIRE**

### **Professional experience**

**1. Please list your professional experience in public finance be it in budgetary planning, budget implementation or management or budget control or auditing.**

While my CV lists all my professional background, I amplify here my background in the abovementioned fields, my first encounter with these fields was during my economic studies. Especially in the Public Finance courses, I acquired an in-depth understanding of the basic principles of the planning, management and control of public finances. Later on, in my career, I built upon this knowledge by teaching university college students in the accountancy and fiscal policy programme.

During my tenure as Deputy First Minister, Minister of Budget, Finance and Energy in the Flemish Government, the management of public finance and the responsibility for the reporting on and auditing of the use of public funds were my primary concern. I was responsible for the drafting and control of the 2014 and 2015 budget. During this period, I closely cooperated with the Belgian Court of Auditors, and I requested both annual reports on the Flemish budget, as well as special reports on, inter alia, information security of the Flemish Tax Agency, and the implementation of the European System of Accounts (ESA) by the Flemish Government. Moreover, I was involved in the valuation of the financial and budgetary impact of the Sixth Belgian state reform.

Throughout my political career, public finance has always played a key role in my work. Having served multiple terms as a member of the Belgian federal Chamber of Representatives and eight years in the federal and Flemish government, I am well aware of the fundamental responsibilities that come with the management and control of public finances.

During my years as minister in the Belgian government, having been responsible for security departments, Asylum and Migration, Home Affairs and Justice consecutively, I have drafted the budget plans for each department, and I also coordinated their control. I have continuously strived to optimize efficiency and performance, and I requested multiple audits from the Belgian Court of Auditors to this end.

Moreover, as a minister on domestic security departments, I worked in close cooperation with the Standing Police Monitoring Committee, as well as the Belgian Standing Intelligence Agencies Review Committee. Both bodies conduct performance audits within the Belgian security and intelligence structure, and both were of considerable importance in efficiently running and reforming the relevant security departments.

I also cooperated with the High Council for Justice, which, inter alia, helps the Belgian justice system to operate better through external control via audits.

**2. What have been your most significant achievements in your professional career?**

My focus as Belgian Minister of Justice was the first thorough reform of the Belgian court structures since Napoleon. The reform comprised, inter alia, the reduction of the

number of judicial districts from 27 to 12, the general strengthening of the third branch by giving more autonomy to magistrates, and a shift towards a performance-oriented culture, in which management agreements would be used and audited by the Belgian Supreme Audit Institution to increase efficiency and assess effectiveness. Increasing efficiency was the goal of all my reforms in this period. Additionally, in this period, I oversaw the development of a Belgian arbitration legal code, which allows companies to settle their disputes through arbitration and mediation rather than court battles.

Efficiency and transparency were also the guiding principles for my reforms as Minister of the Home Affairs department. Under my supervision, the fire department reform was carried out, and the number of police districts was reduced. These reforms coincided with tumultuous years in the Home Affairs department, which was responsible for managing numerous calamities, such as a major gas explosion, a train collision, and floods. I also managed an unexpected election and the Belgian presidency of the Council of the European Union.

As a member of the Flemish Government, I was mainly concerned with tax reform. I was in charge of the reduction of taxes on separating couples on the division of their house. I also steered the fiscal code for personal transportation in the green direction to provide bonuses for low- or zero-emission cars. Lastly, I laid the groundwork for a thorough reform of the inheritance law and taxes, which is currently being completed by my successor.

**3. What has been your professional experience of international multicultural and multilingual organisations or institutions based outside your home country?**

Working in an international environment has been a continuous aspect of my career. Amongst my responsibilities as a minister for security departments was the representation of Belgium in the Justice and Home Affairs (JHA) Council, of which I was a member for six years and which I chaired during the Belgian presidency in 2010. As JHA chair, I participated in multiple tri-lateral talks on security in Washington and Brussels and on terrorism and radicalisation in Madrid. Moreover, I had regular contacts and meetings with international organisations, such as the United Nations, the Council of Europe, the OECD, Europol, and Eurojust, as well as bilateral talks with a number of partner countries, such as Morocco and Greece.

As Minister of Energy in the Flemish government, I frequently visited innovative energy projects abroad, and I continuously collaborated in the Benelux council.

Additionally, my work as a member of Parliament provided me with ample opportunity to cooperate with international organisations. I have attended and been a keynote speaker at a wide variety of conferences, and collaborated on many international initiatives. The keynote speech at the 2016 GLOBSEC Tatra summit and the subsequent work on the GLOBSEC Intelligence Reform Initiative (GIRI) deserve specific mentioning. I have participated in the OSCE election observation mission of the 2016 Armenian election.

Moreover, from August till December 2017, I lived and studied in a multicultural and multilingual environment, when I was selected for the Yale Greenberg World Fellows Program. At this Ivy League University, I not only attended a demanding course program, but I also gave several lectures on the European Union, and I coached a

number of international students on future career planning during their studies.

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

Under Belgian law, the Parliament approves the government's annual report on budget implementation, having heard the judgement of the Belgian Court of Auditors. A similar procedure exists for the budget implementation in the Flemish Region. From the legal point of view, these procedures differ in many respects from the discharge procedure at the European Parliament.

**5. Which of your previous professional positions were a result of a political nomination?**

As explained in my CV and my responses to previous questions, I have held four different ministerial posts, consecutively as: (1) Minister of Asylum and Migration, (2) Minister of Home Affairs, and (3) Minister of Justice (all in the Belgian government), and (4) Deputy First Minister, Minister of Budget, Finance and Energy in the Flemish Government. All of these positions were the result of political nominations.

Moreover, as an elected councillor in the Antwerp city council, I was nominated to represent the council in the Port of Antwerp Board of Directors, as well as its audit committee. From 2006 till 2012, I was nominated, as a municipal councillor of the Puurs municipality, to sit in the local Public Centre for Social Welfare (OCMW/CPAS) council.

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

As outlined in the previous questions, the general reform of the Justice Department, which I oversaw, is among the biggest achievements in my professional career and involved the most important decisions I have been party to. The main aim of this reform is the devolution of financial competence, which is giving judicial districts more financial autonomy and which the Belgian Court of Auditors is competent to audit. These reforms significantly increase the quality of performance and effectiveness of the entire judicial system.

I was a party to the negotiations and eventual decisions of the Sixth Belgian state reform, which comprised a considerable further devolution of competences from the national to the regional level. This reform was the result of the 2010-2011 Belgian government formation, and the reform gave the regions economic and employment competences, and also gave the communities the responsibility for family policy. Moreover, since the reform, the communities and regions are financed differently and have more fiscal autonomy.

I was the first Minister in Belgium responsible for a separate Asylum and Migration portfolio, and this under difficult circumstances. My hard work in government led me to take the position of Minister for Home Affairs, the first woman on the job in the history of Belgium.

I have been party to many more weighty decisions over the course of my political career. For these I refer to my answers to questions 1-3.

## **Independence**

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

Independence is a crucial precondition for the functioning of any supreme audit institution. This independence is enshrined in articles 285-287 TFEU, and extensively outlined in the Lima Declaration issued by the International Organization of Supreme Audit Institutions. I fully support these principles, and I will hold to them unconditionally as a Member of the Court. I will not be influenced by audited organisations, and I will not be dependent on such organisations, nor will I take instruction from any government or other parties.

To guarantee my complete independence, I shall resign my political mandates and shall not conduct any activity that could impair my independence in the future. In carrying out my duties as a Member, I would steer clear from any situation of conflict of interest, including taking outside professional activities or holding political mandates. I would also avoid any situation where I could be perceived as being conflicted.

- 8. Do you or your close relatives (parents, brothers and sisters, legal partner and children) have any business or financial holdings or any other commitments, which might conflict with your prospective duties?**

No. Neither I nor any of my close relatives have business or financial holdings or any other commitments that might conflict with my prospective duties as a member of the Court of Auditors.

- 9. Are you prepared to disclose all your financial interests and other commitments to the President of the Court and to make them public?**

Yes, naturally. As an elected official in Belgium, I already have been required to submit a statement of interests, which I have always complied promptly and correctly.

- 10. Are you involved in any current legal proceedings? If so, please provide us with details.**

No, I am not involved in any current legal proceedings.

- 11. Do you have any active or executive role in politics, if so at what level? Have you held any political position during the last 18 months? If so, please provide us with details.**

Yes. I was elected for the Belgian Chamber of Representatives in the 2014 general elections, and I took office in June 2016. In parliament, I am a member of the Committee on Foreign Affairs. Separately, I have been an elected councillor in the Antwerp city council since January 1<sup>st</sup> 2013. I belong to, and am a bureau member of,



the Flemish party (Open Vld).

**12. Will you step down from any elected office or give up any active function with responsibilities in a political party if you are appointed as a Member of the Court?**

Yes. I will immediately resign all my active functions in order to independently exercise my duties as auditor.

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

Fraud and corruption do not distinguish between nationalities, and neither should dealing with them. Any member of the Court should act with full impartiality and integrity, and comply with the internal rules and standard procedure of the Court. When confronted with a major irregularity, fraud or corruption involving one or more persons of my Member State, I would therefore act no differently from any other case from any Member State, with professionalism and a proactive approach.

In case of suspected fraud, I would promptly report the matter to the Court's president, and I would ensure that cases of fraud are forwarded to the European Anti-Fraud Office (OLAF), as required by a decision by the Court on the cooperation between the ECA and the European Anti-Fraud Office (OLAF) concerning cases of suspected fraud by the ECA during its audit work or provided to it as unsolicited denunciations from third parties.

**Performance of duties**

**14. What should be the main features of a sound financial management culture in any public service? How could the ECA help to enforce it?**

The main features of a sound financial management culture in a public service are to have in place functional systems, both operational and control systems. Systems should be built around a model of 'Three Lines of Defence':

- Functions that own and manage risk
- Functions that oversee or specialise in risk management and compliance
- Functions that provide independent assurance, including audit.

All management of taxpayers' money in any public service should follow the three E's principles as defined in the Financial Regulation applicable to the general budget of the Union: economy (obtaining inputs in due time of the right quantity and quality at the best price), efficiency (producing the greatest useful output from the given level of inputs), and effectiveness (achieving the specified objectives and the intended results of the activity). By providing independent, relevant audit reports in a timely manner, the Court of Auditors can uphold these principles of sound financial management.

Internal control of the financial management is an essential element of good governance. The Court has a crucial role in ensuring accountability within the European Union's institutional framework. By issuing reports detailing good practices and detecting situations requiring improvement, the Court is uniquely positioned to

impartially inform both the European Parliament and the EU citizens on how their funds are being managed. Such role and accountability provides the Court with the shared responsibility to increase citizens' trust in the EU's institutional framework and financial management.

In addition to regular financial and compliance audits, sound financial management also entails performance audits, the importance of which I have understood throughout my career, as highlighted in my answer to question 1. It is of crucial importance that the ECA assesses whether any financial management culture within the EU institutional framework delivers the set policy objectives economically and efficiently. The Court's findings and recommendations should be maximally implemented by relevant management in their procedures.

Thus, executing its role impeccably, the Court is essential in safeguarding transparency, integrity and a clear accountability chain within the European Union. The Court's Annual Report is a fundamental element in gradually improving the sound financial management within the EU and should be issued in a manner ensuring maximal relevance and usefulness.

**15. 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 further improve the cooperation between the Court and the European Parliament (in particular, its Committee on Budgetary Control) to enhance both the public oversight of the general spending and its value for money?**

The ECA is an independent institution, but this does not mean that it works in a vacuum. Based on Articles 287 and 319 of the Treaty on the Functioning of the European Union, a good relationship between the European Parliament, and especially its Committee on Budgetary Control, is key to the oversight of the implementation of the EU's budget. The better the follow up of the Court's reports by the European Parliament, the more significant will be the impact of the Court's findings and recommendations. To maximise efficient cooperation, the Parliament's input is required early on in the planning stage of the Court's work programme. To this end, close dialogue and frequent contact between the Court and the Parliament is essential. I would seek to understand the European Parliament's information needs in terms of audit approach and deliverables and support the ECA's annual work programme integrating more audits focussing on the EP's priorities for the EU citizens.

Furthermore, in order to increase visibility, the Court should strive to cooperate with a wider range of committees, especially when it comes to sector-specific reports. While, of course, the European Parliament autonomously decides on how to organise its internal workings, the Court could identify and recommend areas in which broader cooperation could be beneficial to both institutions.

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

Performance auditing is defined by the ECA's Performance Audit Manual and other international standards as an independent, objective and reliable examination of whether undertakings, systems, operations, programmes, activities or organisations are operating

in accordance with the principles of economy, efficiency and effectiveness and taking into account other relevant E's such as equality, environment and ethics. Hence, performance auditing is a necessary complement to financial auditing, especially as government programmes using taxpayer's money grow in size and complexity. I therefore would welcome the Court's shift towards a better balance between financial and performance audits. Performance audits give the European Parliament and EU citizens better insight in their value for money, thus increasing transparency and democratic accountability.

More than financial audits, performance audits and their resulting (special) reports can identify areas in which economy, efficiency and effectiveness can be increased. These findings should then be communicated in a clear and practical manner to the European Parliament, the relevant institutions and the general public, in order to maximise awareness and increase the likelihood of implementation of good practices and other recommendations.

Furthermore, the timeline of these performance audits needs to be properly planned. Careful planning will ensure that the conclusions and recommendations are available in a timely manner to serve as an input to the EU decision-making process. They can then also support future revisions of regulations, help redefine policy objectives, and inform discussions on multi-annual financial frameworks and/or design of future EU programmes.

**17. 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?**

While relative independence between the European and the national Supreme Audit Institutions remains essential, as stated in art 287(3) TFEU, closer cooperation in a spirit of trust between these levels is necessary. This cooperation should be fostered by the ECA Contact Committee, and encompasses different approaches. Firstly, ECA and the national audit institutions could increase the sharing of best practices. Concerning compliance auditing, ECA should disperse its relevant methodologies amongst those national institutions interested, and vice versa. When it comes to performance audits, institutions on the European and national level could, although not without its challenges, cooperate in areas requiring a broader consensus in society. Secondly, audits on a national and European level could be coordinated to avoid overlap and increase efficiency.

I note the European Parliament's wish for closer cooperation in auditing the EU budget. As a member, I would intend to foster the relationship with the Parliament and actively engage in dialogue with both the Committee on Budgetary Control and other relevant stakeholders.

**18. How would you further develop the reporting of the ECA to give the European Parliament all the necessary information on the accuracy of the data provided by the Member States to the European Commission?**

All reports products released by the ECA should, above all, be communicated clearly. This requirement is outlined comprehensively in the 2018-2020 ECA Strategy.

Moreover, reports should be relevant, useful and timely.

For the Court to produce clear reports products, it needs reliable and accurate information delivered by the Member States to the Commission. As ECA cannot ask the Member States for this information directly, it should stress the importance of the data quality to the Commission in their dialogue with the Member States.

The aim of the ECA should always be to produce added value for the European Parliament's work. In this regard, I welcome the ECA's establishment of a high-level working group to examine the possibilities for further increasing the added value of its Annual Reports to its users, in particular the European Parliament. This can be done through providing more geographical insights, assessing the performance for additional areas of the EU budget and drawing assurance from the internal controls at EU and Member State levels. As these proposals were adopted in 2017, I would look forward to seeing the added value in future ECA reporting.

### **Other questions**

**19. Will you withdraw your candidacy if Parliament's opinion on your appointment as Member of the Court is unfavourable?**

Yes.

## PROCEDURE – COMMITTEE RESPONSIBLE

<b>Title</b>	Partial renewal of members of the Court of Auditors - BE nominee						
<b>References</b>	05161/2018 – C8-0008/2018 – 2018/0801(NLE)						
<b>Date of consultation / request for consent</b>	11.1.2018						
<b>Committee responsible</b> Date announced in plenary	CONT 18.1.2018						
<b>Rapporteurs</b> Date appointed	Indrek Tarand 17.1.2018						
<b>Date adopted</b>	20.2.2018						
<b>Result of final vote</b>	<table> <tr> <td>+:                   </td><td>20</td></tr> <tr> <td>–:                   </td><td>2</td></tr> <tr> <td>0:                   </td><td>0</td></tr> </table>	+:	20	–:	2	0:	0
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<b>Members present for the final vote</b>	Nedzhmi Ali, Inés Ayala Sender, Martina Dlabajová, Luke Ming Flanagan, Ingeborg Gräßle, Cătălin Sorin Ivan, Arndt Kohn, Monica Macovei, José Ignacio Salafranca Sánchez-Neyra, Claudia Schmidt, Bart Staes, Indrek Tarand, Marco Valli, Derek Vaughan, Tomáš Zdechovský, Joachim Zeller						
<b>Substitutes present for the final vote</b>	Richard Ashworth, Brian Hayes, Miroslav Poche, Patricija Šulin						
<b>Substitutes under Rule 200(2) present for the final vote</b>	Monika Smolková, Hilde Vautmans						
<b>Date tabled</b>	22.2.2018						