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REPORT

on the nomination of Maarten B. Engwirda as a Member of the Court of
Auditors
(C6-0306/2007 – 2007/0815(CNS))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

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PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the nomination of Maarten B Engwirda as a Member of the Court of Auditors
(C6-0306/2007 – 2007/0815(CNS))**

The European Parliament,

- having regard to Article 247(3) of the EC Treaty and Article 160b(3) of the Euratom Treaty, pursuant to which the Council consulted Parliament (C6-0306/2007),
 - having regard to the fact that at its meeting of 6 November 2007 the Committee on Budgetary Control heard the Council's nominee for membership of the Court of Auditors and considered the nominee's qualifications in light of the criteria laid down by Article 247(2) of the EC Treaty and Article 160b(2) of the Euratom Treaty,
 - having regard to Rule 101 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0437/2007),
1. Delivers a favourable opinion on the nomination of Maarten B Engwirda 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 and the other institutions of the European Communities, and the audit institutions of the Member States.

EXPLANATORY STATEMENT

A good working relationship between the European Court of Auditors and Parliament is essential for the functioning of the European Union's financial control system. By contrast, Parliament plays a rather minor role in the appointment procedure concerning Members of the Court. The Members of the Court are appointed by the Council upon proposals from the Member States. Parliament is only consulted before the appointment. Therefore, tensions may arise in the case of differences of opinion between Parliament and Council. Parliament tried to minimise the risk of differences of opinion by making public the general principles guiding its judgement in two resolutions of 1992 and 1995 on the procedure for consulting the Parliament on the appointment of Members of the Court¹.

In particular, in its resolution of 1992, in order to enhance transparency, Parliament published the following set of criteria for its assessment of candidates:

- a) high-level professional experience acquired in public finance or in management and management auditing;
- b) where appropriate, prior issue of a discharge in the case of management duties carried out previously by the applicants;
- c) in the case of those who have performed management duties in the public or private sectors, an impeccable management record;
- d) candidates not to hold an elected office or have any responsibilities in a political party with effect from the date of appointment;
- e) in view of the nature of the work to be done, the age of candidates will also be taken into account: for example, it seems reasonable to stipulate that Members should not be over 65 at the end of their first term of office or over 70 at the end of their second. It would not be normal either if, through his or her appointment to the Court of Auditors, candidates were able to evade the age-limits applicable to the same post in their country of origin;
- f) finally, in addition to assessing individual merit, Parliament will ensure that a sensible balance is maintained in the composition of the Court as a whole. For example, while the Court's existing composition is fairly successful in terms of the varied origin of its members, the lack of female representation is unjustifiable;
- g) it would be desirable for Members not to serve for more than two terms.

Experience from the recent past shows that despite the above-mentioned resolutions differences of opinion could not always be resolved. In 2004 the Committee on Budgetary Control adopted a negative opinion concerning two of the ten new Members of the Court proposed in line with the Accession Treaty. One of the candidates withdrew but the other did not. Although the negative opinion was confirmed by the plenary, the candidate was appointed as a Member of the Court by the Council.

As regards the current appointment procedure, several candidates proposed by the Member States do not fully comply with all the criteria set out in Parliament's resolution of 1992. In

¹ Resolution A3-0345/92, OJ C 337 of 21.12.1992, p.51, and Resolution A4-0001/95, OJ C 43 of 20.02.1995, p.75.

addition, Parliament's efforts to maintain a sensible balance in the composition of the Court and to remedy the lack of female representation are being undermined by the current proposals of the Member States. Whereas to date, there are 22 male and 5 female Members, the balance would be 23 male to 4 female Members if all nominated candidates were appointed.

In view of the above, the rapporteur considers that more effective tools are needed to ensure that Parliament, and the Budgetary Control Committee in particular, establish a fruitful relationship with each Member of the Court from the day of his or her appointment. She is of the opinion that the criteria and procedures laid down in the resolutions of 1992 and 1995 urgently need to be reviewed, consolidated and communicated to the Council, to the authorities of the Member States responsible for proposing the candidates and to the public.

In conclusion, the rapporteur recommends that a much closer cooperation between Parliament and Council (ECOFIN) on the nomination procedure be established. Parliament should receive information on the candidates proposed by each Member State in due time. In a medium term perspective, Council and Parliament should agree on a more coherent and efficient nomination procedure, which would be an important element of the urgent organisational reform of the European Court of Auditors.

ANNEX 1: CURRICULUM VITAE OF MAARTEN B. ENGWIRDA

Maarten B. Engwirda
p.m.

Education

- Secondary education (*gymnasium alpha*), Westfries Lyceum, Hoorn (1961)
- Degree in Law (without specialisation), University of Groningen (1967)
- Postgraduate studies in International Relations, The Hague (1968)

Current position

- Member of the European Court of Auditors (since January 1996); Dean of Audit Group III, 'External Actions' (since March 2006); Chairman of the steering group 'Self-evaluation/Peer review'

Previous positions

- Member of the Board of the Court of Auditors of the Netherlands (1990-1995)
- Alternate member of the North Atlantic Assembly, general rapporteur for the Economic Committee (1986-1989)
- Spokesman of the D66 Party in the Lower Chamber for various areas: finance (1977-1989), government expenditure (1977-1989), external trade (1977-1989), defence (1982-1989), foreign affairs (1982-1986)
- Member of the committees of inquiry on RSV (1983-1984) and on passports (1988)
- Chairman of the Committee on Government Expenditure of the Lower Chamber (1981-1989)
- Leader of the D66 Party in the Lower Chamber (1982-1986)
- Member of the D66 Party in the Lower Chamber (1977-1981), Vice-Chairman and Treasurer of the D66 Party (1981-1982 and 1986-1989)
- Adviser on long-term energy policy at the International Energy Agency in Paris (specialisation: energy saving) (1975-1977)
- Adviser to the Ministry of Foreign Affairs on energy policy (1973)
- Member of the European Parliament (1972-1973)
- Member of the D66 Party in the Lower Chamber; responsible for development cooperation and European policy (1971-1972)
- Adviser to the D66 Party in the Lower Chamber (1970-1971)
- Adviser to the Department for Financial and Economic Development cooperation within the Ministry for Foreign Affairs (1968-1970)
- Member of the board of the Groningen Association of Students (1964-1965)
- National President (currently honorary member) of the Association of Students of International Relations (1964)

Previous related activities

- Member of the management board (*curatorium*) for chartered accountants and auditors

Publications

- Articles in various daily and weekly newspapers on international relations and economic and financial affairs

ANNEX 2: SUMMARY BY MAARTEN B. ENGWIRDA OF EXPERIENCE AS A COURT MEMBER AND OBJECTIVES FOR A FUTURE MANDATE

The evolution of the European Court of Auditors: my experience since January 1996

When I became a Member of the European Court of Auditors in January 1996 there were quite a few things that surprised me against the background of my experiences in the Netherlands, both as a Member of Parliament and Chairman of the Budgetary Control Committee (1981-1989) and as a Member of the College of the Netherlands Audit Office (1990-1995):

- The European Court of Auditors had the tendency of putting all or most of their messages to their external stakeholders in the Annual Report instead of spreading them over the year in the form of Special Reports;
- The language of the ECA-reports was difficult to understand for non-specialist external stakeholders (Members of COCOBU, the media and the European taxpayers), but also for specialists in the auditing profession because it was just not clear and transparent enough;
- Over the years I further did not understand, why there still had to be a negative DAS in the EU-context, whereas I had been part of a process in the Netherlands in the second half of the 1980's and the first years of the 1990's through which it became possible, that the Netherlands Audit Office could change its opinion from a negative to a positive (DAS)-opinion.

Since then many things have improved, to which I have tried to give my contribution:

- the substantial increase in the number of Special Reports of the European Court of Auditors on performance audits (economy, efficiency and effectiveness);
- a growing awareness within the Court of the importance of improving the reader-friendliness of our Annual and Special Reports and the clarity of our messages, amongst others through the results of the Communication Working Group which I chaired;
- our DAS now contains much more specific and often quantified information on the legality and regularity of the underlying transactions, which enables the Commission to take more specific corrective actions and allows the discharge authority (European Parliament) to assess the effectiveness of these actions.

The Courts Action Plan and Peer Review

In the first half of 2005 the College of the European Court of Auditors accepted my proposal to start a three-stage exercise to improve the functioning of the Court:

- A self-assessment of the functioning of the Court by a representative sample of all the people working in the Court (Members, Directors, Heads of Unit, Auditors, Officials working in the Administration, Translators, Cabinet staff, Secretaries) with the aim of agreeing on strengths, weaknesses and areas for improvement for the Court;

- An Action Plan to be proposed by a Steering Group of 8 Members of the Court and the Secretary-General chaired by me plus a Project Management Team, taking into account the results of the self-assessment-exercise; For the new Actions the Court has established Task Forces to implement them.
- A Peer Review of the functioning of the European Court of Auditors by colleagues of respected sister-Supreme Audit Institutions.

The first two stages of this exercise have now successfully been completed, and the Action Plan is now being implemented, whereas for the third stage the SAIs/Audit Offices of Canada, Norway, Portugal and Austria have given their approval to act as the Peers for our Peer Review.

My personal objectives for a future mandate

I have informed the government of my country, that I only want to have half a mandate more, i.e. 3 years instead of a full mandate of 6 years. The Dutch government has agreed to this request. My personal objectives for these coming 3 years are:

- To contribute actively to implement the results of the different Task Forces, which have been established in the framework of the Action Plan;
- To wait for the results of the coming Peer Review and to contribute to any recommendation of the Peer Review team to improve the way of functioning of the European Court of Auditors;
- To give the fullest support possible to the wish of the Control Committee of the European Parliament to establish a strategic partnership between this Committee and the European Court of Auditors whilst respecting each other's independence.

PROCEDURE

Title	Appointment of a Member of the Court of Auditors (Mr Maarten B. Engwirda)
References	N6-0018/2007 - C6-0306/2007 - 2007/0815(CNS)
Date of consulting Parliament	19.9.2007
Committee responsible Date announced in plenary	CONT 27.9.2007
Rapporteur(s) Date appointed	Inés Ayala Sender 11.9.2007
Date adopted	6.11.2007
Result of final vote	+: 16 -: 4 0: 1
Members present for the final vote	Jean-Pierre Audy, Inés Ayala Sender, Herbert Bösch, Paulo Casaca, Szabolcs Fazakas, Christofer Fjellner, Ingeborg Gräßle, Dan Jørgensen, Rodi Kratsa-Tsagaropoulou, Jan Mulder, Francesco Musotto, Bill Newton Dunn, Bart Staes, Alexander Stubb, Paul van Buitenen, Kyösti Virrankoski
Substitute(s) present for the final vote	Chris Davies, Edit Herczog, Véronique Mathieu, Gabriele Stauner, Petya Stavreva