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REPORT

on the nomination of H.G. Wessberg as a Member of the Court of Auditors
(C7-0103/2011 – 2011/0803(NLE))

Committee on Budgetary Control

Rapporteur: Inés Ayala Sender

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PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the nomination of H.G. Wessberg as a Member of the Court of Auditors
(C7-0103/2011 – 2011/0803(NLE))**

(Consultation)

The European Parliament,

- having regard to Article 286(2) of the Treaty on the Functioning of the EU, pursuant to which the Council consulted Parliament (C7-0103/2011),
 - having regard to the fact that at its meeting of 24 May 2011 the Committee on Budgetary Control heard the Council's nominee for membership of the Court of Auditors,
 - having regard to Rule 108 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A7-0190/2011),
- A. whereas H.G. Wessberg fulfils the conditions laid down in Article 286(1) of the Treaty on the Functioning of the EU,
1. Delivers a favourable opinion on the nomination of H.G. Wessberg 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 H.G. WESSBERG

Contact details

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Biography

Born on 26 April 1952 in Göteborg, Sweden

Married to Marianne Reimers-Wessberg since 1981. Three children.

Education/Degree

BA in political science, history, communication

Appointments

2007 – 2010 State Secretary, Prime Minister's Office

2007 State Secretary, Ministry for Foreign Affairs

2006 – 2007 State Secretary, Ministry of Defence

2004 – 2006 Director-General, Swedish Companies Registration Office

2001 – 2004 Deputy Director-General, Confederation of Swedish Enterprise

2001 Managing Director,

1996 – 2000 Deputy Managing Director,

1995 – 1996 Acting Managing Director,

1991– 1995 Director of Information, Federation of Swedish Industries

1990 – 1991 Director of Information, SIAB

1987– 1990 Head of Information, Swedish Defence Staff, and spokesman of the Supreme Commander

1985 – 1987 Head of Press, Swedish Defence Staff

1982 – 1985 Press Officer, Swedish Defence Staff

1980 – 1982 Chair, Swedish National Union of Students (SFS)

1979 – 1980 Chair, Göteborg University Students Union

Board appointments and other appointments

2005 – 2006 Member of the Government Interoperability Board

2005 – 2006 Board Member, National Agency for Services to Universities and University Colleges

2003 – 2004 Chair, Central Defence and Society Federation

2003 – 2004 Member, Industrial Liaison Council of the Swedish Emergency Management Agency

2003 – 2004 Member, Supreme Commander's Business Advisory Council

1997 – 2003 Chair, Moderate Party in Stockholm

1998 – 2002 Alternate Member, Riksbank Executive Board

1999 – 2002 Board Member, Birka Energi

1999 – 2001 Chair, Svenska Bostäder

1999 – 2001 Chair, Locum AB

1997 – Member of Academy of War Sciences

1996 – 1998 Board Member, Sveriges Radio (Swedish Radio)

ANNEX 2: ANSWERS BY H.G. WESSBERG TO THE QUESTIONNAIRE

Questionnaire for Candidates for Membership of the Court of Auditors

Professional experience

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

I have over 30 years of professional experience of high level management in public institutions as well as private enterprises in Sweden. A large part of my career has been devoted to improving conditions for private enterprises in Sweden, as manager in organizations representing industry interests in public life. However, I also have extensive experience of public service, as a politician as well as a civil servant. Amongst my recent positions in the public sector I have served as director general of the Swedish Companies Registration Office, an independent government agency, and I have served as state secretary under several ministers. The state secretary position in Sweden is the top executive civil servant serving directly with the ministers – executing their decisions and taking care of the day to day management of the ministries. Most recently I served as state secretary to Prime Minister Fredrik Reinfeldt.

These executive positions have given me both insights and experience of financial management as well as budget control issues. I have also been directly accountable vis-à-vis external auditors as part of my various executive duties. In my position as state secretary in the Prime Minister's Office I was directly involved in the annual budget process of the Swedish government. I was responsible for coordinating the preparatory budget work within the government, preparing the final budget bills for Parliament, as well as following-up previous government budgets. I thus have first-hand experience of the process of setting public budgets as well as of how these are scrutinized ex-post. I was also directly responsible for the budget of the Prime Minister's Office. Maintaining budgetary discipline and ensuring financial accountability to our stakeholders were my main goals in performing these tasks.

As director general of the Swedish Companies Registration Office, I was in charge of the Office's budget and the implementation thereof. The Companies Registration Office is financed largely by fees paid by private enterprises, so in this respect it was also important to provide our clients with added value to maintain our legitimacy. During my time as director general the financial standing of the agency was always good and we received several distinctions for excellent service as a result of our diligence.

I previously served as the managing director of the Federation of Swedish Industry. My responsibilities included overseeing the Federation's budget and its implementation. I was also in charge of the merger of the Federation of Swedish Industry with another similar organization. Even though the merger was a challenge in several dimensions we managed to maintain a high level of direction and financial control throughout the whole process.

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

My most important decision was to form the campaign organization in favor of Swedish membership of the European Union. I believe we informed and influenced many Swedes to vote in favor of taking part in the European project. The strength and also the challenge of this setup was that it was bipartisan and represented vastly differing interests in society, such as industry, labor unions and political parties. I regard Sweden's decision to enter the European Union as my generation's most significant political event, and I take great pride in that I in some way influenced this decision.

I was appointed by my government to form and lead a new agency to administer private enterprises – the Swedish Companies Registration Office. Under my stewardship we managed to vastly improve our output and the satisfaction of our clients. This was the result of several decisions reforming the previous system, which was burdened with problems of inefficiency, poor service and long waiting times for the enterprises.

As the Prime Minister's state secretary, I established new routines for crisis management in the central government as the need of a further development of the previous system had been highlighted by the handling of the crisis following the tsunami in the Indian Ocean in 2004. In a rather limited time, I managed to create a well functioning crisis organization, which has later proved to have vastly improved the Government's crisis management capability.

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 apply this obligation to your prospective duties?**

If I am appointed as a member of the Court of Auditors, I would of course strive to follow all applicable regulations and to remain independent from all external influence. I would at no time allow myself to be influenced by governments, political parties or any other external interests. My sole focus would be to safeguard the efficient use of European taxpayers' funds. In my previous positions, in the private as well as the public sector, I have a track record of maintaining high integrity vis-à-vis external interests and adhering strictly to the applicable rules. I have no intention of breaking this track record as a member of the Court.

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

As managing director of the Federation of Swedish Industry I received a clean discharge throughout my mandate. This is the only position I have upheld where a discharge procedure applies.

- 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? In the event of your being involved in any current legal proceedings, would you please give details?**

I have no business interests, financial holdings or other commitments that could create a conflict of interest with the position of member of the European Court of Auditors. I am also

prepared to declare all my financial interests and other commitments to the President of the Court, and I will make them public if needed. I am not involved in any ongoing 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 hold no elected office or have any active function in any political party. I am also prepared to step down from any position that creates a conflict of interest with the position of member of the Court.

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

I would treat a major irregularity or fraud in Sweden like any equivalent irregularity or fraud in any other Member State. The same principles of budgetary discipline and financial management apply to all Member States. As a Member of the Court I would be responsible for safeguarding the financial interests of citizens and taxpayers from all over Europe. To treat my home country according to different standards than any other Member State would be unacceptable. In the case of suspicion of fraud I would follow the established procedures at the Court and report the case to OLAF.

Performance of duties

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

First of all, managing public funds, and thus being at the service of the taxpayer, means applying the three principles of sound financial management: economy, efficiency and effectiveness. Indeed, funds should be used in appropriate quantity and quality to achieve the stated goals at the lowest cost possible. The relationship between resources employed and results achieved should be optimal and the set objectives should be attained.

All sound financial management cultures must be founded on transparency and openness. Transparency and openness increase the possibility for irregularities, inefficiency and poor routines to be brought to light. A sound financial management culture also requires precise and well considered objectives. These objectives must be clear, achievable, relevant and timely.

Also, any well functioning organization is characterized by accountability. A clear division of responsibilities is crucial to achieving a high level of accountability for actions and decisions.

However, well developed control systems are necessary even in a well functioning organization. Such control systems should consist of internal audit, sound accounting and reporting frameworks and an adequate management information system.

Finally, all of the above features, combined with transparent internal communication (top-down and bottom-up) and a well defined ethical framework will help achieve transparency,

integrity and accountability in any organization.

These are in my view the main features of a sound financial management culture in any public service.

9. According to the Treaty, the Court shall 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 its Committee on Budgetary Control in particular?

The Court of Auditors plays an important role in assisting Parliament in the discharge procedure. Both institutions seek to improve EU financial management, promote transparency and accountability, and hold those responsible for managing EU funds, the Commission, to account on behalf of the EU citizens.

I believe that issues and concerns raised by Parliament in its discharge resolutions should be considered as priorities when establishing the Court's annual work programme ensuring that financial and compliance audits lead to accurate and reliable annual reports and that its performance audits provide Parliament with pertinent and timely special reports. In a long term perspective, the Court's new audit strategy (after 2012) should equally target priorities and suggestions raised by Parliament.

I would seek to establish transparent relationships with the Parliament rapporteurs for the audit tasks under my responsibility and provide appropriate presentations to and participate in debates of the Committee Budgetary Control. I would also seek, together with my future colleagues, to further improve the cooperation between both institutions and further develop the reporting process through regular meetings in particular with the Committee on Budgetary Control.

10. What do you think is the added value of performance audit and how should the findings be incorporated in the management?

Performance audit can play an important role in safeguarding accountability and the effective use of public funds by providing reliable information to a range of stakeholders, including policy makers and the general public. It thus has a great potential to create and inform public debate on public spending. Given the lack of an EU-wide public discussion on the effective use of the budget, this is especially important at the EU level.

Focusing on the added value from a management perspective, I believe there are three aspects to be considered.

First, this type of audit aims at assessing the impact of a policy or programme. The audit conclusions will inform the management whether it has been able to reach its targets and will provide explanations, based on reliable audit evidence, why it has been successful or not.

Secondly, the recommendations formulated in Special Reports will provide management with useful information on how it could further develop or eventually change the spending scheme in order to have a larger impact and be more efficient and effective.

In going beyond the assessment of the reliability of accounts and of the legality and regularity of the underlying transactions, performance audits also suggest how to direct expenditure towards set objectives, thus improving the chances for the programme to achieve its goals.

Thirdly, it allows for a follow-up of how management has implemented the Court's recommendations and provides the budget authority with an important element for the discharge procedure.

A performance audit should be regarded as an opportunity for management to revise or/and change a spending programme or policy and increase accountability.

11. How could cooperation improve between the Court of Auditors, the National Audit Institutions and the European Parliament (Committee on Budgetary Control) concerning the audit of the EU budget?

The Treaty provides that the Court's audit in the Member States shall be carried out in liaison with national audit bodies in a spirit of trust while maintaining their independence.

Through the established Contact Committee of heads of EU supreme audit institutions (SAIs), the Court has over the years cooperated with SAIs and exchanged experiences and knowledge on the audit of EU funds and other EU-related issues, for example the development of common auditing standards and comparable audit criteria.

Cooperation between the Court and SAIs could take a further step in which the Court could rely on the audit work of SAIs on EU funds. The Court has stated in a recent opinion that it would need to satisfy itself about the suitability and quality of the work, meaning that the national audit work would need to be of appropriate scope, approach and timing, and be carried out according to international standards.

However, the work of national SAIs is primarily focused on the audit of national funds. It is therefore understandable that the national audit practice, the needs of national stakeholders and the structure of the national public administrations are fundamental when establishing the audit methodology in any given Member State. There may not always be a will to change this methodology or apply a different one when auditing EU funds. Dialogue is therefore essential.

In this context, the recent co-ordinated audits between the Court and two EU SAIs in the area of agricultural expenditure and the upcoming one in the area of structural funds, are of course of great interest. Hopefully, other areas for fruitful collaboration can be identified. I also see a certain scope for regular meetings/seminars on the constraints and obligations of managing and auditing the EU Budget. This should not only involve the European Parliament and the Court of Auditors but also EU SAIs and national parliaments considering the increased role of the Member States in the control and implementation of EU funds since the Lisbon Treaty.

Other questions

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

Yes. I consider that the cooperation between Parliament and the Court of Auditors cannot be effective without trust.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	24.5.2011
Result of final vote	+: 11 -: 3 0: 8
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Andrea Češková, Jorgo Chatzimarkakis, Andrea Cozzolino, Ryszard Czarnecki, Tamás Deutsch, Jens Geier, Ingeborg Gräble, Cătălin Sorin Ivan, Iliana Ivanova, Monica Luisa Macovei, Crescenzo Rivellini, Paul Rübig, Theodoros Skylakakis, Georgios Stavrakakis
Substitute(s) present for the final vote	Zuzana Brzobohatá, Christofer Fjellner, Ivailo Kalfin, Jan Mulder, Derek Vaughan