



Plenary sitting

A8-0337/2017

26.10.2017

REPORT

on the nomination of Pietro Russo as a Member of the Court of Auditors
(C8-0329/2017 – 2017/0813(NLE))

Committee on Budgetary Control

Rapporteur: Indrek Tarand

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PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the nomination of Pietro Russo as a Member of the Court of Auditors (C8-0329/2017 – 2017/0813(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 (C8-0329/2017),
 - having regard to Rule 121 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A8-0337/2017),
- 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 19 October 2017 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 Pietro Russo 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 PIETRO RUSSO

Education

- 1977 Qualified to practise law
- 1975 Degree in law from the University of Catania
(110/110 with distinction)
- 1970 School-leaving examination in classical studies (full marks)

Employment

From 1 March 2012

Member of the European Court of Auditors, representing Italy:
Member of Chamber IV – responsible for Revenue, Research and Internal Policies, and Institutions and Bodies of the EU – Reporting Member for EU agencies and, subsequently, Revenue. From 2016, Member of Chamber V – responsible for financing and administering the Union – Reporting Member for EU administrative expenditure. Part of the delegation from the European Court of Auditors which paid an official visit to the Supreme Audit Institution of Poland in Warsaw in 2015, including, inter alia, meetings with the President of the Republic and the Speaker of the Parliament.

- 2009-2012 Member, representing Italy, of the International Board of Auditors for NATO (IBAN).

From 2006 until placed on secondment:

Magistrate delegated to carry out inspections at the Italian Institute of Germanic Studies in Rome.

- 2004-2009 Seconded member, and full-time member from 2006, of the Joint Sections, in their audit capacity:
- General and special rapporteur for the Report to Parliament: public procurement activities, Ministry of Productive Activity and Communications, Ministry of Economic Development and Ministry of Justice.

Member of the Joint Sections, in an advisory capacity:

- Rapporteur on the draft decree of the President of the Republic on the Regulation for the administration and accounts of defence bodies.

- 2003 Served in the Central section for management audit of public administration at the Italian Court of Auditors (rapporteur for various special reports on, inter alia, the activities of the Ministry of Defence and the Ministry of Labour and Social Policy).

From 2003: Deputy Magistrate responsible for auditing at the Italian National Institute of Statistics (ISTAT) under Article 12 of Law No 259/1958.

- 1993-2003 Head of the private office of the Italian member of the European Court of Auditors, with duties in the area of auditing the Regional Development Fund, the Agricultural Guidance and Guarantee Fund and Community aid to developing countries (implemented through the European Development Fund).
- 1991-1992 National expert at the European Court of Auditors in the office charged with auditing the European Regional Development Fund.
- 1985 Magistrate of the Court of Auditors serving in the Public Prosecutor's Office of Palermo Court of Auditors (Deputy Public Prosecutor duties) as *Referendario* (junior magistrate), *Primo Referendario* (higher-ranking judge, 1987) (Vice Public Prosecutor duties), *Consigliere* (senior judge, 1989) and *Presidente di sezione* (president of the chamber, 2014).
- 1977-1985 Served as ordinary magistrate at the Verona District Court and the Court of Verona and Catania (as magistrate (*pretore*) and judge).

Posts held at national level

- Member of the Committee for the assessment of investment and support for the planning and management of environmental measures at the Ministry of the Environment.
- Member of the Interministerial Committee for the examination of applications for compensation and contributions with regard to the losses suffered by Italian citizens abroad.
- Expert working for the High Commissioner for combating and preventing corruption and other forms of offence in public administration.
- Adviser to the Chair of the European Union Policies committee of the Senate of the Republic.
- Member of the Scientific Committee of the Permanent Observatory on Organised Crime (OPCO).

Posts held at international level

- From 1996 to 2012, member of the Board of Appeal of the Community Plant Variety Office based in Angers.
- National expert in GRECO (Group of States against corruption) at the Council of Europe.

- From 2005 to 2008, Italian Member (elected chairman from 30 June 2006) of the College of Auditors of the European Union military operations financing mechanism ('Athena').
- From 2008 to 2011, Italian Member (elected chairman from 30 June 2010) of the College of Auditors of the European Defence Agency (EDA).

Academic and scientific activities

- 1989: Member, in the capacity of *Cultore della materia* (subject expert), of the examination board for industrial law at the Faculty of Economics and Commerce of the University of Palermo.
- 1991: Research in comparative environmental law at the Centre of European Law and Politics of the University of Bremen, at the invitation of Professor G. Winter.
- 1992: Lecture entitled '*La Corte dei Conti: una nuova Istituzione comunitaria*' at the Faculty of Political Science of the University of Catania as part of the course on '*La Politica della Comunità Europea*'.
- From 1995, member of the Luxembourg *Association d'Etudes et Recherches pénales européennes*.
- 1996: Visiting lecturer at the Faculty of Political Science of the University of Catania; lecture series on '*La Corte dei Conti nello sviluppo istituzionale dell'Unione Europea*'.
- 1997 (September): Speaker at an international seminar on '*La Experiencia de los Organos de Control de las Comunidades Europeas como aporte a la consolidación del MERCOSUR*' held in Buenos Aires, at the invitation of the General Audit Office of Argentina.
- Speaker at a seminar on '*La protection pénale des intérêts financiers de l'Union européenne*', Instituto europeo de España, San Sebastián, 1997.
- 1999 (November) and 2000 (January/February and May): talks on EU funding and structural fund rules, auditing in EU law, and legal remedies under the EU system, for courses on EU law organised by the Presidency Council of the Italian Court of Auditors as part of the '*Action Robert Schuman*', held in Rome and in Milan.
- Speaker at the '*Symposium on European Cooperation in Justice and in the Judiciary*', Pisa, 2000.
- 2000: Talk on '*L'esigenza del contraddittorio nel procedimento di controllo della Corte dei Conti Europea*' at the conference on '*Le funzioni di garanzia della finanza pubblica tra il rispetto delle autonomie e i principi del giusto processo*', organised by the Italian Court of Auditors' Sections for the Region of Sicily, held in Palermo.
- 2000: Lecture series on the audit activities of the European Court of Auditors as part of a course organised at the instigation of the Italian Court of Auditors' Audit Section for

the Region of Sicily in the context of the 'PASS' project for training public officials, funded by the EU (Palermo).

- 2002: Talk on '*La certificazione dei conti pubblici in Italia e in Europa: raffronti comparativi*' at a conference on '*La certificazione dei conti pubblici in Italia e in Europa: Tradizione e Prospettive evolutive*', held at the central office of the Italian Court of Auditors.
- 2002: Talk: '*Il sistema di controllo della Corte dei Conti Europea nel quadro dei Fondi Strutturali*' at a seminar on '*Funzioni di gestione, valutazione e controllo dei Fondi Strutturali*' held in Brussels at the representation office of the regions of Abruzzo, Lazio, Marche, Tuscany and Umbria.
- 2004 and 2005: Lectures on managing the EU budget and the work of the European Court of Auditors, as part of the Master's Degree in European Studies at the 'Alcide de Gasperi' Institute of European Studies in Rome.
- 2006: Talk on '*La certificazione del bilancio dello Stato: La prospettiva italiana nel contesto europeo*' at the central office of the Italian Court of Auditors in Rome, at the invitation of the Association of Magistrates of the Court.
- May 2013: Speaker at a conference on '*Risanamento dei conti pubblici e vincoli di bilancio - il ruolo della Corte dei Conti*' held at the LUISS University of Rome.
- June 2013: Speaker at the Italian Court of Auditors' conference on '*Controlli congiunti*' (Rome).
- December 2013: representative of the European Court of Auditors at the 23rd OLACEFS (Organisation of Latin American and Caribbean Supreme Audit Institutions) conference in Santiago de Chile, giving a talk on '*El Tribunal de Cuentas Europeo y las Instancias nacionales de Control - Auditorías coordinadas en el contexto de la UE*'.
- June 2014: Presentation of a report on '*Il ruolo della Corte dei Conti Europea nella prevenzione e nel contrasto alle frodi*' at the international 'Hercule II' seminar in Rome.
- 30 September 2014: representative of the European Court of Auditors at a seminar on '*La prevenzione ed il contrasto alle irregolarità ed alle frodi a tutela dell'erario comunitario: profili di armonizzazione e raccordo nell'azione delle Istituzioni superiori di controllo*' held by the Italian Court of Auditors.
- 1 October 2014: Hearing before Committee XIV of the Italian Chamber of Deputies on conducting research into the implementation and efficacy of European Union policies in Italy.
- 23 February 2016: Report on '*La Corte dei conti UE ed i suoi rapporti con la Corte dei conti italiana nel contesto europeo*' as part of a seminar organised by the Department of Political and Social Science of the University of Catania.
- 24 June 2016: Report on '*La Corte dei conti UE ed i suoi rapporti con la Corte dei conti*

italiana nel contesto europeo' in the context of a meeting with Senate officials on the auditing of EU funds and audit priorities for 2016.

- 7 July 2017: Keynote lecture at the Pegaso Online University (Naples): *'La Corte dei Conti europea: Profili istituzionali e funzionali'*

PUBLICATIONS

Author of a monograph on general business theory (Rome 1990, published by SIPI Il Sole 24 Ore).

Author of numerous case notes published in legal journals (*Giustizia civile*, 1981; *Giurisprudenza di merito*, 1984 and 1986; *Rivista delle Aziende di credito*, 1985).

Contributor to numerous journals:

Giustizia Civile, author of several articles on civil, commercial and civil procedural law (1978, 1980, 1982, 1983, 1984, 1985, 1988, 1990).

On auditing public finances:

'La certificazione dei conti pubblici in Italia e in Europa: raffronti comparativi' in *Rivista della Corte dei Conti* (No 5/2002) and in the proceedings of the conference *'La certificazione dei conti pubblici in Italia e in Europa: Tradizione e Prospettive evolutive'* organised by the Italian Court of Auditors.

'Le contrôle des dépenses des collectivités décentralisées en Italie', in the journal *Administration – Revue de l'Association du Corps Préfectoral et des Hauts Fonctionnaires du Ministère de l'Intérieur*, March 2002.

'Il controllo successivo della Corte dei Conti sulle Amministrazioni dello Stato dopo le riforme degli anni '90: una sistemazione concettuale', in *Rivista della Corte dei Conti*, No 4/2004.

On EU affairs:

'La Corte dei Conti italiana dopo la riforma e la Corte dei Conti Europea dopo Maastricht: mutamenti e nuove occasioni di lavoro comune' in *Rivista della Corte dei Conti*, No 2/1994.

'La Corte dei Conti – Istituzione comunitaria: note in tema di capacità processuale' in *Il Foro Amministrativo*, No 6/1994.

'Il problema del Marchio Frazionato ed il nuovo regime del marchio comunitario' in *Giustizia Civile*, No 2/1995.

'The administrative liability of the officials of the European Communities. Problems and Prospects' in *The European Union Review*, No 2/1997.

'Controlli, uno sguardo sull'Europa – Evoluzione della certificazione dei conti' in

Italia Oggi, 18 July 2002.

'*El procedimiento de ratificación del Tratado de Lisboa: situación actual*' in *Legal Today.com* (online journal in Spanish), 2008.

'*Codice operativo del TUE e del TFUE*', published by Simone, 2012: author of the commentary on the articles of the Treaty on the Functioning of the European Union (TFEU) concerning the European Court of Auditors.

ANNEX 2: SUMMARY BY PIETRO RUSSO OF EXPERIENCE AS A COURT MEMBER AND OBJECTIVES FOR A FUTURE MANDATE

Over the course of my professional life I have always strived to apply in best methods my legal background to the work of audit. Therefore on my first appointment as a Member I was able to rely on my experience as judge and public prosecutor, prior engagement with the Italian Supreme Audit Institution and the European Court of Auditors, as well as membership in several Audit Boards of international organisations.

Following my appointment in March 2012 I served in Chamber IV “Regulation of markets and competitive economy” of the Court until June 2016. Initially I was in charge of the Specific Annual Reports providing the European Parliament and the Council with a statement of assurance as to the reliability of the annual accounts and the legality and regularity of the underlying transactions for the EU Agencies. In this work I have always set focus on the management aspect and especially its performance, seeking to link the outcomes of financial and compliance audit to management application.

Afterwards I became the reporting member for the Chapter “Revenue” of the Annual Report.

Since June 2016, following the Court’s restructuring, I serve in Chamber V “Financing and administering the Union” as the reporting member for the Chapter of the Annual Report dealing with the “Administrative Expenses” of the Union.

During my mandate I was the reporting member for the Special Reports 03/2014 on “Lessons from the European Commission’s development of the second generation Schengen Information System” (*CONT Rapporteur Ms. Monika Hohlmeier*) and 07/2016 on “EEAS Management of delegation buildings” (*CONT Rapporteur Mr. Ryszard Czarnecki*). Both reports were welcomed and received positively by the European Parliament. I further am the reporting member for an audit task on EU Customs that is currently in closure and to be published by the end of the year, which includes a view on the Commission’s action following the Parliament’s request raised in the 2011 discharge to collect reliable data on the customs and VAT gap in the Member States and report every six months to Parliament in this regard. For the near future I am assigned reporting member on a task requested by the Council on the “Implementation of the 5% staff reduction”, as well as an audit that is to be launched shortly on the implementation of the staff regulation.

Additionally I was reporting member for the Court Opinions No. 7/2014 “On the system of the European Communities’ own resources” and No. 2/2017 “On a proposal for amending the Financial Regulation applicable to the budget of the European Schools”. I further dealt with the “Court’s observations on delegated acts taken in application of the new Financial Regulation concerning decentralised agencies and public private partnership bodies” sent to the Commission in July 2013.

During the time of my appointment the Court has continued to raise its high awareness and sensitivity for matters of fraud and corruption, conflict of interest and transparency. This resulted in focussing on risk indicators of possible fraud and corruption, such as arbitrary decisions and lack of transparency criteria, in the management of public funds. I am fully committed in this field and I support the proposal to go further, e.g. introducing standardized audit questions on this subject and a dedicated chapter in the Annual Report.

In July 2015 I was designated by the College of the Court as member of the Ethics Committee – which discusses any matters of an ethical nature that it considers to be relevant to the ECA’s standards and reputation, including assessing the outside activities of its Members – and chaired the Committee from October 2016 until the end of the term in July 2017.

In order to foster the ongoing good relationship between the Court and the Italian Parliament and Supreme Audit Institution I have always taken on an outstanding commitment to representative activities. Foremost through the yearly presentation of the Annual Report to the Italian Parliament, on-demand reporting on the management of EU structural funds and ad-hoc information about the activities of the Court to the related technical committees. Further through active participation and lecture on the role of the Court in fraud prevention and encounter in seminars on the HERCULE programmes organized by the Italian Supreme Audit Institution. Most recently I facilitated a cooperation agreement between the Court and the University of Pisa on mutually exchanging expertise, facilitating common research and knowledge on audit, aiming to connect citizens to the EU institutions.

During my mandate at the Court I have always worked and contributed to make the results of our audits even more effective, transparent and reliable for all stakeholders – primarily the European Parliament. In this ambition I welcomed and adhered to the changes occurred, namely the new task based organization of the Court.

I would be honoured to serve the Court for a second mandate, maintaining a fruitful relationship with the European Parliament and especially the CONT Committee as well as all other stakeholders, such as national Parliaments and SAIs. I strongly aspire to take advantage of the experience accumulated through my first mandate, allowing me to continue improving audit work and delivering useful audit outcomes for all stakeholders. In doing so, I aim to link the elements of my activities both as reporting member for the Annual Report and Special Reports, as is currently the case for the ongoing task on the “Implementation of the 5% staff reduction”. In my opinion the current framework is especially favourable in this regard, taking into account the new audit product portfolio of the Court and the modified rules on the timing of Special Reports as stipulated in Art. 163 Financial Regulation.

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Partial renewal of members of the Court of Auditors - IT nominee
References	11872/2017 – C8-0329/2017 – 2017/0813(NLE)
Date of consultation / request for consent	21.9.2017
Committee responsible Date announced in plenary	CONT 5.10.2017
Rapporteurs Date appointed	Indrek Tarand 2.10.2017
Date adopted	19.10.2017
Result of final vote	+: 17 –: 4 0: 4
Members present for the final vote	Nedzhmi Ali, Jonathan Arnott, Inés Ayala Sender, Luke Ming Flanagan, Ingeborg Gräßle, Cătălin Sorin Ivan, Arndt Kohn, Bogusław Liberadzki, Monica Macovei, Notis Marias, Petri Sarvamaa, Bart Staes, Indrek Tarand, Marco Valli, Tomáš Zdechovský, Joachim Zeller
Substitutes present for the final vote	Richard Ashworth, Karin Kadenbach, Julia Pitera, Patricija Šulin
Substitutes under Rule 200(2) present for the final vote	Jan Huitema, Wajid Khan, Momchil Nekov, Monika Smolková, Lieve Wierinck
Date tabled	26.10.2017