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REPORT

on the nomination of George Marius Hyzler as a Member of the Court of
Auditors
(C9-0043/2022 – 2022/0803(NLE))

Committee on Budgetary Control

Rapporteur: Angelika Winzig

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PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the nomination of George Marius Hyzler as a Member of the Court of Auditors
(C9-0043/2022 – 2022/0803(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 (C9-0043/2022),
 - having regard to Rule 129 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0130/2022),
- A. whereas, by letter of 10 February 2022, the Council consulted Parliament on the nomination of George Marius Hyzler as a Member of the Court of Auditors;
- B. whereas Parliament's Committee on Budgetary Control then 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; whereas in carrying out that evaluation, the committee received a curriculum vitae from the nominee as well as the nominee's replies to the written questionnaire that he had been sent;
- C. whereas the committee subsequently held a hearing with the nominee on 21 April 2022, at which the nominee made an opening statement and then answered questions put by the members of the committee;
1. Delivers a favourable opinion on the Council's nomination of George Marius Hyzler as a Member of the Court of Auditors;
 2. Instructs its President to forward this decision to the Council and, for information, to the Court of Auditors, the other institutions of the European Union and the audit institutions of the Member States.

ANNEX 1: CURRICULUM VITÆ OF GEORGE MARIUS HYZLER

Education:

- 1980** Warrant to practice the profession of advocate in Malta
- 1979 – 1980** Post-Graduate: International Course in European Integration (University of Amsterdam), The Netherlands
- 1974 – 1979** Doctor of Laws (University of Malta), Malta
Notary Public (University of Malta), Malta
- 1973 – 1974** Attended first year of BA course in Economics and Sociology, (University of Malta), Malta

Professional Experience:

- 2018 –** Commissioner for Standards in Public Life
- 2015 – 2018** Member of the Commission for the Administration of Justice
- 2015 – 2018** Member of the Judicial Appointments Committee
- 2015 – 2018** President of the Chamber of Advocates
- 2011 – 2018** High Commissioner of Malta to South Africa (non-resident)
- 2005 – 2018** Member of the Permanent Court of Arbitration (The Hague)
- 2005 – 2018** Chairman (non-executive) of the Board of Governors of the Malta Arbitration Centre
- 2003 – 2018** Practiced as an advocate in Malta including responsibility as MLRO of the law firm
- 1998 – 2003** Parliamentary Secretary (junior minister) in the Ministry for Economic Services
- 1998 – 2003** Member of the Public Accounts Committee, House of Representatives
- 1995 – 2003** Member of the Committee for the Consideration of Bills, House of Representatives
- 1995 – 1998** Chairman of the Committee for Advocates (ethics committee) of the Commission for the Administration of Justice
- 1995 – 1996** Member of the pre-accession Malta-EU Joint Parliamentary Committee, House of Representatives
- 1995 – 1996** Member of the Privileges Committee, House of Representatives
- 1995 – 2003** Elected Member of the House of Representatives in 1995 (by-election), 1996, 1998 legislatures (Partit Nazzjonalista)
- 1988 – 1998** Vice-President of the Chamber of Advocates
- 1980 – 1998** Practiced as an advocate in Malta in law firm
- 1978 – 1979** President of the Students Representative Council
- 1976 – 1978** Student Representative on the University Council
- 1974 – 1976** Student Representative on the Faculty Board of the Faculty of Laws

ANNEX 2: ANSWERS BY GEORGE MARIUS HYZLER 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.

- 1.1 I was elected as a Member of the House of Representatives in 1995. In 1998 I was appointed as Parliamentary Secretary (Junior Minister) in the Ministry for Economic Services, headed by Minister Josef Bonnici who was later appointed as Malta's first Member of the Court of Auditors. I was responsible *inter alia* for the enactment of legislation, the setting up of administrative structures and establishment of independent judicial bodies in the areas of consumer rights and anti-trust. I was also responsible for the Malta Standards Authority and the setting up of the Malta Film Commission where I oversaw the expenditure of public funds in the initial stages of investment in the sector. I was politically responsible for Maltapost, the national postal service provider, including its budgetary and financial affairs. My duties as a Junior Minister also included overseeing the preparation, implementation and control of budgets for the Ministry itself and all entities falling within the Ministry portfolio that required parliamentary financing or subvention.
- 1.2 During the period between 1998 and 2003 I served on Parliament's Public Accounts Committee, which served a similar role to the CONT committee on a more limited national scale. The remit of the Public Accounts Committee according to Standing Order 120E is to inquire into matters relating to public accounts that are referred to it by Parliament, a Government Minister or the Auditor General; to examine the accounts of public sector entities that are presented to Parliament; and to examine reports submitted by the Auditor General. Thus, this Committee's deliberations and scrutiny provides considerable added value to the audit reports issued by the National Audit Office and it guides government and parliamentary action in response to such audit reports. During this period too I had the opportunity to gain important insights and experience in public sector financial affairs as well as the financial management of public entities.
- 1.3 I exited politics in 2003 and returned to my legal profession as a partner in the law firm that I had co-founded practicing mainly in civil and commercial law.
- 1.4 Whilst practicing as an advocate, I was appointed Chairman of the Board of Governors of the Malta Arbitration Centre between 2005 and 2018. This role is a quasi-judicial role since the Chairman is charged with responsibilities including the appointment of arbitrators and the determination of challenges to arbitrators. This apart from administration of the centre, including the setting and overseeing the budget of the Centre.
- 1.5 As Commissioner for Standards in Public Life, to which post I was appointed in 2018, I am tasked, amongst other assignments, with examining and verifying the individual declarations of assets which each Member of Parliament and Government Minister is obliged to present annually. The process involves scrutinising declarations of assets and seeking additional information from Members of Parliament and Government Ministers where appropriate. Where I am not satisfied with the information provided, I proceed to

open a formal investigation of the Member of Parliament or Government Minister concerned.

- 1.6 In my role I have the same powers to demand and obtain evidence as a court of law. In one particular case in 2021, I concluded that a Junior Minister had failed to include income in her declaration of assets.¹ This led to the Junior Minister shouldering political responsibility. The conclusions of my report were upheld by the Parliamentary Committee for Standards in Public Life.
- 1.7 Investigations of ministers for alleged ethical misconduct may involve inquiring into the appropriate utilisation of public funds. One such case involved the use of public funds, ostensibly on official advertisements, and led me to conclude that the advertisements in question had been intended for personal publicity and did not justify the expenditure of public funds.² Following this report, I published guidelines on government advertising in order to improve governance in this area.³
- 1.8 Two other cases concerned the expenditure of public funds to generate content for Government Ministers' personal social media pages. Following an audit of the practice in 2020 I concluded that this was widespread and I recommended the adoption of guidelines developed by my office with a view to curbing such abuses.⁴ These guidelines are currently in force. In that case I made a recommendation to the Auditor General to monitor this particular heading of expenses in the annual audit. The matter was also taken up by the police and an investigation is ongoing.
- 1.9 Another case in 2021 involved the engagement by a Government Minister of a consultant, and led me to the conclusion that the consultant in question had been engaged for a task which he was not competent to carry out.⁵ I deemed this to constitute an abuse of discretionary power and political responsibility was consequently shouldered by the Minister concerned.
- 1.10 I am also responsible for the preparation of the annual financial plan of my Office which must be presented to Parliament. Once approved by Parliament, this plan governs expenditure by my office during the following year. I am responsible for approving expenditure by my office and ensuring that expenses remain within budget. I have set up internal control systems to ensure that all expenditure is duly authorised, verified, and accounted for. As Commissioner I also present an annual report on my activities, which

¹ See report on case K/032 (2 July 2021), available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K032-EN.pdf>.

² Report on case K/028 (17 March 2021), available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K028.pdf>.

³ Available from <https://standardscommissioner.com/wp-content/uploads/guidelines-government-advertising-promotional-material.pdf>.

⁴ Report on case K/010 (7 May 2020), available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K010.pdf>. See in particular paragraphs 57–66 and 71–72.

⁵ Report on case K/036 (10 December 2021), available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K036-EN.pdf>.

includes audited accounts for my office, to Parliament.⁶ Auditing is carried out by the National Audit Office (Malta's supreme audit institution).

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

2.1 As the first person to be appointed to the post of Commissioner for Standards in Public Life in 2018, I consider the setting up of the office as a significant milestone. Within a few months I set up the office with a complete infrastructure whilst also issuing key reports. I consider this to be the most important achievement in my career in public life. This includes the:

- building a strong national and international reputation and standing of my office as a functioning independent institution in Malta, which has significantly improved the domestic integrity and transparency framework;
- conduct of investigations and publication of reports and recommendations which have resulted in improvement of transparency and accountability for Members of Parliament and Government Ministers and led to a substantial increase in awareness and a move towards a change of culture on transparency and integrity;
- publication of two reports on backbench Members of Parliament in government service, one focusing on Members of Parliament on the government side (holding government jobs, board memberships and consultancy assignments)⁷ and the other focusing on Opposition Members of Parliament who are in regular employment in the public sector.⁸ These reports have raised awareness about the need to uphold Parliament's independence from the Executive, and to strengthen constitutional checks and balances in Malta;
- publication of guidelines on the use of public funds for social media, which have curbed the practice by Government Ministers of using public funds to generate content for their personal social media pages;⁹
- publication of guidelines on the use of public funds by Government Ministers in advertising, which have brought about a clearer distinction between official Government advertising, and party-political advertising, and also curbed the practice of publishing camouflaged political advertising at public expense;¹⁰
- publication of a report on constitutional reform with proposals to strengthen the independence of Parliament and the Judiciary, and to reinforce the principle of merit in public administration;¹¹

⁶ The most recent annual report is available from <https://standardscommissioner.com/wp-content/uploads/annual-report-2020-final.pdf>.

⁷ Report on case K/002 (5 July 2019), available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K002-EN.pdf>.

⁸ Reports on case K/021 (2 November 2020), available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K021.pdf>.

⁹ See footnote 4 above.

¹⁰ See footnote 3 above.

¹¹ Available from <https://standardscommissioner.com/wp-content/uploads/constitutional-reform-proposals.pdf>.

- drafting of new, comprehensive codes of ethics for Members of Parliament and Government Ministers, with a view to these replacing the current codes.¹² The proposed new codes are currently being reviewed by the OECD as part of an EU-funded project to improve the integrity and transparency framework in Malta;
- drafting of proposals for a new law to regulate lobbying.¹³ The proposals are currently being reviewed by the OECD as part of an EU-funded project to improve the integrity and transparency framework in Malta.

Other achievements include:

- membership and active participation in the work of the Public Accounts Committee between 1998 and 2003, which included examination and debate of the annual audit reports by the Auditor General on Government departments and agencies as well as of the special reports by the Auditor General such as on the sale of a leading bank to HSBC, the privatisation of Maltapost, the privatisation of Malta International Airport, on the Freeport Corporation and on State Transport for Students, amongst others;
- the work carried out as a Junior Minister in the Ministry for Economic Services between 1998 and 2003, including the setting up of the Malta Film Commission and the creation of structures to promote the film servicing industry in Malta as well as to encourage the promotion of European culture in general;
- in 2002 as Junior Minister I piloted a number of laws in the field of consumer protection, intellectual property, competition and standardisation, mainly transposing EU directives ahead of Malta's accession, which brought about legislation to promote a more open economy, to introduce new consumer rights, and to modernise anti-trust legislation so as to promote fair competition and transparency in pricing amongst others;
- during my term as President of the Chamber of Advocates between 2015 and 2018, I campaigned for and promoted a change in the method of appointing members of the judiciary which led to a change in the Constitution. I also negotiated draft legislation to regulate the legal profession.

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

3.1 During the past three years, as the Commissioner for Standards in Public Life, I have established close relations with representatives of European and international organisations dealing with public integrity, rule of law, anti-corruption and accountability of public officials, such as the OECD, Council of Europe, GRECO, the European Commission, the European Parliament, the UK Parliamentary Commissioner for Standards of the House of Commons and the Committee for Standards of the UK Parliament amongst others.

¹² Available from <https://standardscommissioner.com/wp-content/uploads/report-revised-codes-of-ethics.pdf>.

¹³ Available from <https://standardscommissioner.com/wp-content/uploads/consultation-paper-lobbying.pdf>.

- 3.2 I have actively participated in the Working Party of Senior Public Integrity Officials of the OECD for the past two years, which included discussion and monitoring of integrity and anti-corruption measures, monitoring the implementation of OECD Recommendations on principles for transparency and integrity in lobbying and other public integrity and ethical issues. I have also been invited to deliver a keynote address to the OECD Global Anti-Corruption & Integrity Forum, which will be held in March 2022. The Forum is the OECD's premier public multistakeholder platform shaping the anti-corruption and integrity dialogue between governments, businesses and civil society.
- 3.3 I have had regular meetings with representatives of the European Commission as Commissioner for Standards in Public Life, including in the framework of the European Semester. A year and a half ago my Office secured technical support from DG Reform with a view to improving the integrity and transparency framework in Malta, in collaboration with the OECD as a strategic and implementation partner.
- 3.4 I have exchanged views with representatives of the European Commission on matters of public policy and implementation, on the rule of law and public procurement in Malta.
- 3.5 From my initial months in office, I have built very close working relations with the UK Parliamentary Commissioner for Standards and with the former Chair of the Committee for Standards of the House of Commons, with whom I regularly share experiences and best practices. The cooperation has been particularly beneficial in view of the similarities with the Westminster model of Parliament and system of governance.

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

- 4.1 No such procedure applies. However, prior to my appointment as Commissioner for Standards in Public Life I relinquished all management, executive and other positions, as required by the Standards in Public Life Act.

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

- 5.1 The positions that I have held as a result of political nominations were:

5.1.1 Appointed by Government:

- Director on the first board of Directors setting up Malta International Airport between 1991 and 1995, that was responsible for its construction and to transform its management from that of a government department to that of a commercial entity.

5.1.2 Appointed by the President acting on the advice of the Prime Minister:

- High Commissioner of Malta to South Africa (non-resident) between 2011 and 2018. During this period the appointment was re-confirmed notwithstanding the change in administration in 2013.
- Chairman of Malta Arbitration Centre for three terms under different administrations during the period 2005-2018.

5.1.3 Appointed by the President of Malta following a unanimous resolution of the House of Representatives:

- Commissioner for Standards in Public Life since 2018.

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

6.1 The most important decision to which I was party in my professional life was actively pursuing the path to European Union membership. I had followed a post-graduate course in European Integration, at the University of Amsterdam in 1979, that is well before Malta had considered membership and I subsequently formed part of the government that applied for, negotiated and attained EU membership. I participated at every stage of the process. EU membership has been instrumental in transforming the country and its economy, improving the quality and standard of life of Maltese citizens and embedding the country in European values.

6.2 Amongst the important decisions that I took in my current capacity I would refer to the investigation of misuse of public funds through the engagement of a consultant to government who was unqualified for the task assigned to him. This case led to the resignation of the responsible minister and the removal of the Permanent Secretary (chief civil servant in the ministry);¹⁴ and

6.3 Investigation of a case in which the then Prime Minister received a gift from a leading businessman. The report was upheld by Parliament's Standards Committee and raised awareness about the need to regulate links between persons in business and Government Ministers.¹⁵

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?

7.1 I left political life nearly 20 years ago and since then I have occupied the posts of President of the Chamber of Advocates, Chairman of the Malta Arbitration Centre and more recently Commissioner for Standards in Public Life, all of which require political independence.

7.2 My nomination to the post of Commissioner for Standards in Public Life was supported by all the political parties represented in Parliament and by every single member of Parliament. My work has generally been commended by civil society and the independent media on a regular basis.

7.3 As the first Commissioner for Standards in Public Life I have established a new institution that enjoys respect both domestically and internationally in a sensitive area and in an

¹⁴ Report on case K/036 (10 December 2021), available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K036-EN.pdf>.

¹⁵ Report on case K/019 (1 July 2020) available from <https://standardscommissioner.com/wp-content/uploads/Commissioner-for-Standards-case-report-K019.pdf>.

environment of constant challenges and high expectations. This has also been particularly so in Malta following the assassination of journalist Daphne Caruana Galizia in 2017 and Malta's inclusion in the list of jurisdictions under increased monitoring (grey-listing) by FATF in 2021.

7.4 My independence and performance are scrutinised by the House of Representatives in Malta. However, I have invited the OECD to examine, review and recommend improvements to the organisational setup and performance of my office and the integrity and transparency framework in Malta as a whole, including the functioning of my office.

7.5 I believe that my track record demonstrates my ability to act in a completely independent manner in fulfilling my functions.

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?

8.1 None.

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

9.1 Yes, absolutely, both to the President of the Court and for the publication of these disclosures if required.

9.2 During my past tenure as a member of the House of Representatives and member of the Executive I made complete and full disclosure of all interests and commitments.

9.3 My current post restricts participation in any professional, banking, commercial or trade union activity, or other activity for profit or reward. I have fully complied with this condition including the disposal of interests in the law firm in which I was one of its founding partners.

9.4 Prior to taking up the post of Commissioner for Standards in Public Life I ensured that there were no conflicts of interest, actual or perceived, whether past or present that may be seen as a possible impediment to the performance of my duties and functions. I gave careful thought and consideration to ensuring that no such conflict exists prior to accepting the nomination of the Government of Malta for the post.

9.5 I also believe that past and present disclosures should be made public, which would contribute to the full confidence and trust of the citizens of Europe in their institutions.

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

10.1 No. I am not involved in any current legal proceedings in my personal capacity.

10.2 In my official capacity as Commissioner for Standards in Public Life I am a party to proceedings brought by a former Government Minister who resigned following the publication of my report relating to her misconduct. In this case the constitutional

validity of the law setting up the Office of Commissioner for Standards in Public Life is being challenged. Thus, the action is directed against the State, and not against the Commissioner for Standards in Public Life although the latter is a party to the case.

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.

11.1 No, I do not have any active or executive role in politics. I have not held any political positions for nearly 20 years.

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?

12.1 I do not hold any elected office and have no function with responsibilities in a political party. I am no longer a member of a political party and have not been involved in any capacity whatsoever in politics since 2003.

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

13.1 Cases of fraud and/or corruption must be dealt with in the same manner and with the same severity whether it is at national, European or international level. Impartiality and integrity are fundamental; respect for the rule of law, strict adherence to policies, rules and procedures and fairness and equal treatment to all are pivotal for the functioning of any institution that aims to fulfil its functions efficiently and effectively in order to enjoy trust of the EU's citizens.

13.2 I would treat any irregularity whether involving matters from my Member State of origin or any other Member State equally with integrity, impartiality and professionalism.

13.3 All irregularities and all cases of fraud and/or corruption, whether actual or perceived, shall be reported without delay to the President of the Court of Auditors and to the European Anti-Fraud Office (OLAF) and where applicable the European Public Prosecutor's Office (EPPO) in compliance with the decisions and procedures established by the ECA. Strict scrutiny and accountability have no national exclusion zones and there shall be zero tolerance to any irregular, fraudulent or corrupt practice irrespective of which corner of the EU it may arise from.

13.4 I shall continue acting in the same manner as I have always done in my past professional experience. I brought to account all irregularities within the limits of the law that constituted misconduct or breaches of any statutory law. My reports and recommendations led to more than one criminal investigation, resignations of Government Ministers, reprimand of Members of Parliament, and the overall improvement of the culture and awareness of accountability, transparency and respect for the law. Even when I was personally attacked for fulfilling my functions, I always treated everyone with respect and with the same vigour of the law. I never compromised the integrity and standing of my office in the duties and functions that I performed.

13.5 Ultimately, as duly evidenced in the manner that I have discharged my current duties, all rules and regulations need to be applied judiciously in all cases without any exception or fail, irrespective of whoever is involved.

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?

14.1 A sound financial management culture should foster practices that aim to achieve the best possible results and impact with the resources available. All public funds should be collected and spent for the public good adhering to the fundamental values of transparency and accountability, which are the two main pillars of good governance. Any public service is indeed financed with the taxpayers' contributions and should respect the principles of economy, efficiency and effectiveness (the three E's), as defined in the Financial Regulation applicable to the general budget of the Union. This implies having the right control framework to be able to set targeted objectives, measure, evaluate and report transparently on progress achieved.

14.2 The EU budget operates in a complex environment, and while it is important to ensure that every euro is spent legally and regularly and that beneficiaries of funds comply with the applicable rules, there should be an equal focus on ensuring funds are spent sustainably and in line with their intended objectives to achieve maximum and long-term impact. The operational and control systems in force should guarantee that the processes are truly open and visible to the public and are scrupulously scrutinised, controlled and audited to ensure that the management of EU public funds is not only done in the interest of EU citizens, but it is seen to be done so.

14.3 EU's citizens place a great deal of trust in public service and public management, and preserving this trust brings about a great responsibility. That is why a robust governance framework encompassing a clear mission and strategic objectives, a strong internal and external control framework, transparent communication and reporting, and a good public service ethos are all essential features for nurturing and promoting accountability, integrity and transparency in public service.

14.4 Over the past years as Malta's first Commissioner for Standards in Public Life I not only fulfilled my role and functions as required by law but devised and pioneered a system of risk-based audit for Members of Parliament and Government Ministers in the verification of their declarations of assets that had never been subject to official scrutiny before. The reports I have published on the basis of my investigations amount to audits on the accountability, transparency and integrity of the persons in public life under my remit. My recommendations resulted in goals driven and standard-setting guidelines for proper use of public funds. Although identifying shortcomings or failings is of importance in my work, ultimately the principal objective is that such shortcomings are duly addressed in a timely manner. Essentially, similar to the objectives of public audit.

14.5 The European Court of Auditors plays a crucial role within the EU governance framework, as the external auditor of the EU budget, by focusing on the principles of economy, efficiency and effectiveness. The ECA assesses how EU taxpayer money has been spent, by carrying out financial, compliance and performance audits, reviews and

opinions on legislative proposals, setting out independent observations of weaknesses and making timely and specific recommendations to all actors responsible for taking action in the execution of the EU budget, whether it is under direct, indirect or shared management. By doing so, the ECA fosters best practice and concrete improvements through its work.

14.6 In my opinion, the ECA strategy 2021-2025 does indeed take account of the sound financial management principles through its strategic goals 1 to 3 (improving accountability, targeting audits where it adds more value, providing strong audit assurance).

14.7 In addition, through its work programme, the ECA will continue to contribute to upholding the principles of sound financial management, by addressing priority areas or policies and performing risk-based audits. Maintaining an open dialogue with the budgetary and legislative authorities, national SAIs, and other pertinent stakeholders reinforces the institution's relevance and the impact of its work. Moreover, through its audit assignments, ECA seeks to provide assurance that EU funds are being used in the best manner possible and in line with prevailing rules and regulations. This constitutes an important tool to increase the trust of EU citizens in EU institutions and agencies.

14.8 Furthermore, it is critical that, when instances of suspected fraud or corruption are identified by ECA during the performance of audits, these are immediately reported to OLAF and where applicable EPPO in order for the proper investigations to start. In so doing the ECA would play a critical role in ensuring that EU taxpayer money is safeguarded.

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?

15.1 While the two institutions have their own distinct role, the European Court of Auditors and the European Parliament (particularly the CONT committee) share a common objective: that of safeguarding the EU's financial interests.

15.2 In fulfilling the Treaty requirements (article 287 TFEU), the ECA is tasked to provide the European Parliament and the Council with a statement of assurance as to the reliability of the accounts, legality and regularity of the underlying transactions, through its Annual Report; but the ECA also carries out special reports on specific questions and issues, and delivers opinions requested by other institutions of the Union.

15.3 As a result, and in accordance with its annual work programme, the ECA carries out a number of compliance and performance audits / reviews / other tasks that should serve to inform CONT in its role of public oversight of EU Budget expenditure and revenue and value for money, through the timely publication and presentation of clear, factual, evidence-based reports in accordance with international public audit standards.

15.4 On this basis, an open dialogue and regular exchange with CONT as a key stakeholder, is important already at the outset of the ECA's work programme in order to consult and

debate common concerns, risk areas, upcoming legislative proposals, that feed into the ECA's planning of tasks and ensuring the timely issuance of opinions, audit conclusions and recommendations.

15.5 More importantly, since the Members of the European Parliament directly represent the interests of EU citizens, obtaining this perspective is key for the work of the ECA to hold direct relevance to current and future challenges faced by EU citizens, whilst retaining full independence over the course of its work. The need to be fully independent in the discharge of its duties cannot be overemphasised, as clearly stated in the Declaration of Lima, adopted by the IX International Congress of INTOSAI in 1977. In addition to CONT, the ECA should also maintain open channels of communication with other key stakeholders, such as the committees of the European Parliament when it comes to policy or sector specific reports.

15.6 While the quality of its special reports has improved over the years, the ECA should continuously strive to improve its products in terms of clarity, relevance and timeliness. This was reflected in the last years with the introduction of products such as briefing papers and landscape reviews, and the report on performance of the EU budget. In the coming years, the challenge for the ECA will be to deliver audit reports on the implementation of the NGEU (and in particular the RRF), which would require more substantial risk-based audits evaluation and given the unique design of the facility possibly even new methodologies.

15.7 I will proactively engage as necessary in this regard.

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

16.1 According to the INTOSAI's Performance Audit Standard (ISSAI 3000), performance auditing carried out by SAIs is an independent, objective and reliable examination of whether government undertakings, systems, operations, programmes, activities or organizations are operating in accordance with the principles of economy, efficiency and/or effectiveness and whether there is room for improvement. The European Court of Auditors' performance audits should provide information that is oriented towards the performance achieved and is of primary interest to the European Parliament, the Council, the Commission and other audited bodies. This means that, rather than being driven by control and process concerns, the ECA's performance audits should focus on performance achieved and should assess the effect of audit findings in terms of economy, efficiency and effectiveness. In this regard, the proper identification and use of Key Performance Indicators during the legislative process is of paramount importance.

16.2 In the spirit of sound financial management, performance auditing goes hand in hand with compliance and financial audits, altogether presenting a complete view of how taxpayer money is spent. Auditing whether funds are spent in compliance with the applicable rules, in other words legally and regularly, is a must, but equally important is ensuring that the funds have been spent efficiently, economically and effectively since ultimately, especially from the perspective of EU citizens, much depends on the level and quality of service being given by the entity being audited. Thus, in essence the three types of audits complement each other.

16.3 A performance audit can be designed and scoped from different angles, focusing on such important aspects such as whether a program is on track to achieve its objectives or whether the indicators set out in the program are relevant to the attainment of objectives. Furthermore, when auditing performance it is important to distinguish the types of indicators (output, result, Impact) and if the results of the program whether positive or negative are due to the programme itself or due to exogenous factors such as economic growth (for example when looking at employment indicators) or conflict (which impacts results in external action expenditure) Such an analysis is important to arrive at conclusions and recommendations for Member States, the Commission and the legislators when working on the design of future programs to take appropriate action. ECA also has an important role in following up on the implementation of such recommendations

16.4 Careful planning for performance audits is fundamental for them to come at the right time and place for legislators and budgetary authorities to take note of such reports in the design or negotiation of new regulations, policies and programmes, so as to achieve maximum impact.

16.5 In relation to the NGEU initiatives, particularly the RRF, a performance audit is an even more important tool to ensure that the EU budget is implemented in the interest of the EU and its citizens attaining the set objectives and deliverables. The RRF has different rules and requires considerable evaluation of the methodologies for assessment of more substantial risks that can pose certain challenges for the ECA in relation of volume and scope.

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?

17.1 Article 287 TFEU states that the European Court of Auditors and national audit bodies shall cooperate in a spirit of trust, whilst maintaining their independence, as already emphasised. The ECA and SAIs already have an established forum for cooperation through the ECA Contact Committee, which generally convenes once annually. Participation in EUROSAI and INTOSAI forums and activities also facilitate the cooperation between audit bodies.

17.2 Member States are also beneficiaries of the EU budget, and therefore ECA auditees. In the case of shared management of EU funding, management and control systems exist at both national and EU levels. Therefore, liaising with national bodies is essential for minimising unnecessary overlaps of audit work, but also for sharing knowledge and best practices, for example on a policy area, specific region(s), audit risk areas, audit topics, operational and resource challenges. International audit standards also make it possible for an auditor to use the work of other auditors (subject to fulfilment of certain criteria), and in this respect, the ECA may also make use of the work of national bodies where it deems appropriate, while maintaining its independence. This can potentially also reduce the administrative burden on the auditees.

17.3 Both the European Parliament (through the CONT Committee) at the European level, and national audit bodies reporting to national parliaments at Member State level, are key

stakeholders for ECA that share a common goal: that of safeguarding the EU budget and ensuring the best use of EU citizens' taxpayer money. In this regard, the ECA should continue presenting its relevant reports to national audit bodies and other relevant bodies and institutions to inform of ECA's work and communicate their recommendations in the relevant policy areas.

17.4 The European Parliament also has an important role in communicating the importance of ECA's work and the functioning of the EU budget control system with their constituents. Furthermore, I see particular value in MEPs talking to managing and audit authorities in their respective Member States to better understand the challenges they face in carrying out their work

17.5 The cooperation between the ECA, the national audit institutions and the European Parliament will become even more essential in the context of the implementation of NGEU, as EU financing will practically double the amounts usually available through the Multiannual Financial Framework, and because of the increasing involvement of the Member States (in particular for the RRF).

17.6 I am aware that there is an excellent working relationship between the ECA and the National Audit Office of Malta, as evidenced by the various Joint Seminars organised over these last years as well as other activities of mutual interest related to the area of public sector auditing. I am committed to ensure that the bilateral collaboration that Malta's current Member of the ECA and his predecessors have fostered, is enhanced even further in the best interest of both institutions.

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?

18.1 In providing a holistic European view of a particular audit area, the European Court of Auditors draws on data or information from a representative sample of transactions to support its audit conclusions. It may do so directly by conducting audits in individual Member States or third countries, as well as obtaining supporting documentation from the respective Member States' authorities, in the case of shared management. It may also obtain data available at the European Commission (e.g. Eurostat, AMPR).

18.2 In its reports, the ECA highlights its findings, sometimes with the use of graphical visuals aiming to provide succinct, clear and complete information on the implementation of policies in Member States. However, what is reported by the ECA can only be as good as the data available. When this was not the case, my understanding is that the ECA has always brought this to the attention of legislators by making recommendations for data improvement – be it data collection, existence, completeness or accuracy. The ECA should continue doing so, as the lack of accurate data would inherently represent a limitation for auditors to comprehensively assess the results of a policy or programme area, and for the European Parliament to take well informed decisions.

18.3 The ECA Strategy 2021-2025 highlights the importance of interaction with institutional stakeholders, and in particular the Member States' governments and parliaments. Such institutional interactions are also essential to better determine where issues with the

reliability of data lie, be it for example a matter of legislative interpretation or sample-gathering methodologies, be it a horizontal issue across Member States or at an individual Audit institution level. As the root causes of such issues are identified, ECA and the Commission can work together with national audit bodies to resolve such matters. Furthermore, strengthening these relationships will be essential for the ECA in the coming years, in the context of the NGEU implementation, as the Member States' role and responsibilities will expand further.

Other questions

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

19.1 I would certainly consider withdrawing my nomination in the event that there are any shadows cast on my integrity and independence and I would take into account all the considerations and deliberations of the Budgetary Control Committee of the European Parliament with regard to my competence and act accordingly.

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Partial renewal of the European Court of Auditors (2022) - MT nominee
References	05846/2022 – C9-0043/2022 – 2022/0803(NLE)
Date of consultation / request for consent	10.2.2022
Committee responsible Date announced in plenary	CONT 14.2.2022
Rapporteurs Date appointed	Angelika Winzig 28.2.2022
Discussed in committee	21.4.2022
Date adopted	21.4.2022
Result of final vote	+: 25 –: 2 0: 1
Members present for the final vote	Matteo Adinolfi, Gilles Boyer, Olivier Chastel, Caterina Chinnici, Corina Crețu, Ryszard Czarnecki, José Manuel Fernandes, Luke Ming Flanagan, Daniel Freund, Isabel García Muñoz, Monika Hohlmeier, Jean-François Jalkh, Pierre Karleskind, Mislav Kolakušić, Joachim Kuhs, Ryszard Antoni Legutko, Claudiu Manda, Jan Olbrycht, Younous Omarjee, Markus Pieper, Sándor Rónai, Petri Sarvamaa, Angelika Winzig, Lara Wolters, Tomáš Zdechovský
Substitutes present for the final vote	Andrey Novakov, Mikuláš Peksa, Viola Von Cramon-Taubadel
Date tabled	27.4.2022