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REPORT

on the nomination of Laima Liucija Andrikienė as a Member of the Court of
Auditors
(C9-0301/2022 – 2022/0807(NLE))

Committee on Budgetary Control

Rapporteur: Claudiu Manda

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PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the nomination of Laima Liucija Andrikienė as a Member of the Court of Auditors
(C9-0301/2022 – 2022/0807(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 (C9-0301/2022),
 - having regard to Rule 129 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0239/2022),
- A. whereas, by letter of 24 August 2022, the Council consulted Parliament on the nomination of Laima Liucija Andrikienė as a Member of the Court of Auditors;
- B. whereas Parliament's Committee on Budgetary Control then proceeded to evaluate Laima Liucija Andrikienė's credentials, 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 Laima Liucija Andrikienė, as well as the replies to the written questionnaire that she had been sent;
- C. whereas the committee subsequently held a hearing with Laima Liucija Andrikienė on 6 October 2022, at which she 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 Laima Liucija Andrikienė 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 LAIMA LIUCIJA ANDRIKIENĖ

EDUCATION

2004	Associate Professor, Social Sciences
1986	Doctorate in Social Sciences (nostrified by the Research Council of Lithuania, 1994)
1975-1980	Degree in Economics and Mathematics; Economic Cybernetics, Vilnius University
1966-1973	Piano class, Druskininkai 7-year Music School
1964-1975	Druskininkai Secondary School No 1 (now known as Druskininkai 'Revival' School)

WORK EXPERIENCE

November 2020 - Member of the 13th Seimas (Parliament) of Lithuania

	Member and Chair (January 2022 -) of the Committee on Foreign Affairs
	Member and Deputy Chair (November 2020 - March 2022) of the Committee on European Affairs
	Member (November 2020 - March 2022) of the Committee for the Future
January 2022-	Vice Chair of the Committee on Political Affairs and Democracy, Parliamentary Assembly of the Council of Europe (PACE)
January 2021 – January 2022	Vice President of the Parliamentary Assembly of the Council of Europe (PACE)
June-July 2020	Head of the Special Election Assessment Mission of the OSCE/ODIHR to the Republic of North Macedonia
2020	Member of the Board, PA International Foundation

2016-2019 Member of the European Parliament (from June 2016)

	Member of the Committee on International Trade
	Substitute Member of the Committee on Foreign Affairs
	Member of the Subcommittee on Security and Defence
	First Vice Chair of the EP Delegation to the EU-Kazakhstan, EU-Kyrgyzstan, EU-Tajikistan and EU-Uzbekistan Parliamentary Cooperation Committees and for relations with Turkmenistan and Mongolia
2014-2016	Member of the Board, PA International Foundation
2009-2014	Member of the European Parliament

	Member of the Committee on International Trade
	Substitute Member of the Committee on Foreign Affairs
	Member and Vice Chair (2009-2012) of the Subcommittee on Human Rights
2004-2009	Member of the European Parliament
	Member of the Committee on Budgets
	Substitute Member of the Committee on Foreign Affairs
	Member of the Subcommittee on Human Rights
2003-2004	Dean of the Faculty of Public Management, Law University of Lithuania
2002-2004	Director of the Institute of EU Policy and Management and Associate Professor in the Department of Political Science, Law University of Lithuania
2001-2003	Chair of the Board, JSC Laitenis
1996-2000	Member of the 7th Seimas (Parliament) of Lithuania
	Member (1996-2000) and Vice Chair (2000) of the Committee on Foreign Affairs
	Member of the Committee on European Affairs (1998-2000)
	Head of the Lithuanian Delegation to the Baltic Assembly (1998-2000)
1996-1998	Minister of European Affairs of the Republic of Lithuania
1996	Minister of Industry and Trade of the Republic of Lithuania
1992-1996	Member of the 6th Seimas (Parliament) of Lithuania
	Member of the Committee on Foreign Affairs
1990-1992	Member of the Supreme Council - Reconstituent Seimas of Lithuania
	Signatory of the Act of the Restoration of Independence of Lithuania
	Member of the Committee on Foreign Affairs
	Member of the Budget Committee
October 1989 – March 1990	Assistant to the Deputy Chair of the Council of Ministers of the Lithuanian SSR
1983-1989	Research Fellow and Senior Research Fellow at the Lithuanian Research Institute of Agricultural Economics
1980-1983	Engineer at the Computing Centre of the Lithuanian Research Institute of Agricultural Economics

POLITICAL AFFILIATION

Since 2018	Member of the Lithuanian Union of Political Prisoners and Deportees
Since 2003	Member, member of the Council (2004-) and member of the Presidium (2004-2014) of the Homeland Union-Lithuanian Christian Democrats
2001-2003	Founding member and member of the Lithuanian Union of the Right
1999-2001	Founding member (1999), member and chair of the Homeland People's Party
1993-1998	Founding member (1993), member and Board member of the Homeland Union (Lithuanian Conservatives)
1988-1993	Member of the Lithuanian Popular Movement Sajūdis; member of the Seimas of the Lithuanian Popular Movement Sajūdis (1992-1993)

MISCELLANEOUS

Author of academic monographs, books and articles in Lithuanian, English, French and other languages.

HONOURS AND AWARDS: Grand Officer of the National Order of Merit of the French Republic (1997); Independence Medal of the Republic of Lithuania (2000); Medal '*Ubi concordia, ibi victoria*' of the Baltic Assembly (2003); Cross of Commander of the Order of the Lithuanian Grand Duke Gediminas (2004); Honorary Doctor (*Honoris Causa*) of Kingston University (United Kingdom) (2007); Golden Sign of Honour of the Confederation of Lithuanian Industrialists (2008); Medal of the Founders and Volunteers of the Lithuanian Army (2012); Diplomacy Award from the Republic of China (Taiwan) (2014); Order of the President of Georgia (2014); *MEP of the Year 2018* in international trade (The Parliament Magazine, Brussels); Order of Isabella the Catholic from the Kingdom of Spain (2020).

ANNEX 2: ANSWERS BY LAIMA LIUCIJA ANDRIKIENĖ 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.

I believe that my all career has been linked either directly or indirectly to these activities, namely, public finances, budget management and control, economy, etc.

- 1.1 I graduated in Economic Cybernetics from Vilnius University in 1980. The curriculum of 5-year-long (1975-1980) studies at the Faculty of Economic Cybernetics and Finance of the University included studies in finance, econometrics, macro and micro economics, accounting, statistics, mathematical methods and programming, corporate finance and others. The knowledge I gained at the university was an excellent basis for my PhD thesis that I defended in 1986 and my research work at the Lithuanian Research Institute of Agricultural Economics.
- 1.2 For 10 consecutive years from 1990 to 2000 as a Member of the Lithuanian Parliament and its Budget Committee (1992), I was involved in the preparation and approval of the state budget, its examination, monitoring and implementation. In this context, it is important to mention that from 1996 until 1998, I was a Minister of European Affairs. In this capacity, I was directly responsible for the implementation of the Government's program and the sound management of the budget appropriations entrusted to me. At that time, I took a constructive cooperation and the use of the audit results of the National Audit Office of Lithuania. The work at the Government provided me with practical experience and knowledge of the budgetary management, which I am ready to share with the colleagues at the Court of Auditors.
- 1.3 During my years at the Law University of Lithuania in my capacity as Director of the Institute of the EU Policy and Management, later – as Dean of the Faculty of Public Management, the largest faculty of the university with 5,000 students, as well as while working on various international research projects I had to deal with public funds on a daily basis. The experience at the Government enabled me to manage public funds in a regular and effective manner, i.e. for intended purposes and results.
- 1.4 During my three terms in the European Parliament, i.e. 2004-2009, 2009-2014 and 2016-2019 and especially its Committee on Budgets (2004-2009), I have gained considerable experience on EU budgets, multiannual financial frameworks and a wide range of budget issues. From the role of the EPP Shadow Rapporteur on the EU Budget 2006, I gained a valuable hands-on experience in the political deliberations and the legislative procedures of the EU budget adoption, an experience the Court would certainly benefit from.
- 1.5 Finally, as a Member of the Seimas and the European Parliament I have thoroughly studied audit reports in the relevant areas published either by the National Audit Office of Lithuania or by the European Court of Auditors, which I found instrumental in taking informed decisions on national and EU policies.

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

My professional career consists of two integral parts, namely, my work and experience in scientific research in social sciences, and my engagement in politics.

- 2.1 As a scientist, I am proud of my articles on privatization, market and agricultural reforms,

etc. It is worth mentioning a scientific monograph on “Contemporary Tendencies of Lobbying” (published in 2002), materials of the international conference on “Values and Politics” (1st part published in 2008, 2nd part – in 2014), also research projects drafted and implemented by international consortia during my years at the Law University of Lithuania.

2.2 In 2008, I was awarded Honorary Doctorate (*Honoris Causa*) by the Kingston University (United Kingdom) for my contribution to the development of the new European knowledge society.

2.3 It is important to mention that the restoration of Lithuania’s statehood in March of 1990 with my personal participation was one of the main achievements of my professional career. I was one of 124 members of the Lithuanian Parliament who voted in favour of the Act of the Restoration of Independence. It is worth noticing that this historic voting was the very first step taken by pro-independence Popular Movement after winning parliamentary elections in Lithuania in 1990. We had to start from scratch: creation of a market economy in the country, agricultural and many other reforms including privatisation had to be implemented not to mention huge efforts to achieve diplomatic recognition of the re-established Republic of Lithuania, to restore diplomatic relations with other countries Lithuania has had before the Soviet occupation.

2.4 In my position of the Minister of European Affairs of the Republic of Lithuania I was at the forefront of Lithuania’s attempts to start accession negotiations with the EU. In addition to the coordination of the adoption and implementation of the EU *acquis communautaire*, my duties and responsibilities included large-scale privatisation, foreign direct investment and export promotion. Recalling those years, I could be proud of my team’s and my personal accomplishments to my country’s European integration process and paving the way to the full-fledged membership of Lithuania in the European Union.

2.5 As a Member of the European Parliament, I hope that I contributed positively towards achieving our common goals. I worked hard in the fields of international trade and foreign policy, human rights, security and defence, EU Partnership policy, financing of the EU policies, also strengthening relations of the European Parliament with the national parliaments of the EU Member States, and last, but not least, making the EU and its institutions closer to the people.

In conclusion: I am happy that during my years in science and politics I actively participated and contributed to the restoration of Lithuania’s independence and its full-fledged membership in the European Union and NATO, that I contributed to stronger and wider, more just, dynamic and competitive European Union. New challenges we all face encourage me to move forward with new initiatives and new ambition when it comes to the implementation of value-based policies, transparency, EU green agenda, digitalisation, etc.

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

3.1 During my first 10 years in the Lithuanian Parliament (1990-2000), I was a member of the Committee of Foreign Affairs, Committee of European Affairs, Head of the Lithuanian delegation to the Baltic Assembly, etc. All these positions required various skills and efforts in order to work in close cooperation with our regional, European and other allies and partners.

3.2 My 13 years of work at the European Parliament, Foreign Affairs Committee and its Subcommittees on Human Rights as well as on Security and Defence, also in the International Trade Committee were nothing else than work within multicultural and multilingualistic environment which was an excellent opportunity, valuable and unforgettable experience. In addition to my work in the committees, I was part of at least two parliamentary assemblies, namely, EUROLAT PA and EURONEST PA, co-chairing one of the committees of EURONEST PA.

3.3 My current position in the Lithuanian Parliament where I chair its Foreign Affairs

Committee presents many opportunities to participate in various international fora, to deal with international organisations and institutions. Parliamentary diplomacy, in my opinion, is a powerful tool in any democracy, which has to be used as much as possible.

3.4 In this context I would also like to mention my responsibilities at the Parliamentary Assembly of the Council of Europe (PACE): from January 2021 to January 2022 as Vice President of PACE, and since January 2022 as Vice Chairperson of the Committee on Political Affairs and Democracy of the PACE.

3.5 In addition, it is worth mentioning that in 2020 I led the Special Election Assessment Mission of the OSCE/ODIHR to the Republic of North Macedonia. An international team working under my leadership successfully fulfilled its duties despite the COVID-19 pandemic and various limitations imposed in the country at that time.

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

The discharge procedure is not applicable to any of the duties that I have previously carried out.

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

Absolute majority of positions that I have held up to now have been positions to which I was elected by the people. They include: four terms in the Seimas (Parliament) of Lithuania from 1990 to 2000 and since 2020 till now and three terms in the European Parliament in 2004-2014 and 2016-2019.

Nevertheless, following 1996 parliamentary elections in Lithuania, I was appointed Minister of Industry and Trade and later – Minister of European Affairs of the Republic of Lithuania.

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 have been party in my professional life was my vote in favour of the Act of the Restoration of Lithuania's Independence on 11 March 1990 following 50 years of the Soviet occupation. Then I was for the first time elected to the Lithuanian Parliament – the Supreme Council/Reconstituent Seimas backed by the Popular Movement *Sąjūdis* and the Union of Former Political Prisoners and Deportees. The follow up to this historic event was the withdrawal of the Russian Army from our territory, the recognition of the Republic of Lithuania by the world community and my country regaining its rightful place on the political map of Europe. As a member of the Lithuanian Parliament I was fully and wholeheartedly involved in this process. Voting in favour of the Act of the Restoration of Lithuania's Independence is a decision I am greatly proud of and a feeling I carry to this day.

6.2 Another very important decision was to take responsibility for Lithuania's integration into the European Union by becoming Minister of European Affairs of Lithuania in 1996. My ministerial portfolio included not only legal harmonisation (adoption of the EU *acquis communautaire*), but also large-scale privatisation, foreign direct investment promotion, and export promotion. I was leading European integration process at a very difficult time when Lithuania was seeking to start accession negotiations with the EU. Lithuania became member of the EU in 2004, and all these years I was an integral part of the process, in one or another capacity at the Government or at the Lithuanian Parliament.

6.3 Finally, my years in the European Parliament during three consecutive terms 2004-2009,

2009-2014 and 2016-2019 were full of challenges, but also very interesting and important ones. Working in the Committee on Budgets in 2004-2009 and being the EPP Shadow Rapporteur on the EU Budget 2006, I did my best in contributing to building a stronger, wider and prosperous European Union. We had to adapt to the new challenges which Europe was facing, such as those posed by globalisation and humankind's impact on the environment. That particular year, there was an impressive boost in funding for growth and jobs, research (increase by 43%) and education, while funding for vocational training and youth increased by almost 70%. In my capacity as a shadow rapporteur representing the largest political group in the EP, I was working in close cooperation with the Standing Rapporteur who was from the S&D Group.

During my years in the European Parliament, being an active member of the Subcommittee on Human Rights and its Vice Chairperson, also an active member of the Foreign Affairs Committee and various AFET delegations, together with my colleagues I initiated a number of resolutions on important foreign policy and human rights issues. It is worth mentioning that I have drafted at least two Reports on the EU Annual Reports on human rights situation in the world and the European Union's policies on the matter, the "Report on the Development of the UN Human Rights Council, including the role of the EU", the "Report on a European Parliament recommendation to the Council, the Commission and the EEAS on the Eastern Partnership, in the run-up to the November 2017 Summit", etc.

My work in the International Trade Committee was noticed and I received the MEP of the Year 2018 award in international trade award "The Parliament Magazine".

Independence

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

Independence is a key principle in ensuring effective functioning of external public audits. It must safeguard that auditors provide objective, reliable and unbiased audit opinions and reports on the use of public funds, which is the main prerequisite of transparent and accountable governance and effective public policies.

The principle of independence of Supreme Audit Institutions (SAIs) was firstly embedded in the Lima Declaration and later elaborated in the Mexico Declaration. Although the SAIs approved these declarations a long time ago, safeguarding independence remains a challenge. For instance, the Court of Auditors aims at a broader legislative mandate across all types of EU action and unrestricted access to information. The role of the legislator is of the utmost importance in this regard.

If appointed as a Member of the Court of Auditors, I am committed to protect the independence of the institution and to perform my duties with complete independence and in the Union's general interest as required by the Treaty. Moreover, I would fully adhere to the Code of Conduct for the Members and former Members of the Court by inter alia neither seeking nor taking any instructions from any institution, body, office or agency of the Union, or from any government or from any other public or private entity.

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?

Neither I nor my close relatives have any business or financial holdings or any other commitments that might conflict with my prospective duties.

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

If appointed I will disclose all of my financial interests and other commitments to the President of the Court and agree to make them public in accordance with the applicable rules. In fact, I have already been doing so for the last 25 years of my professional career working at the Lithuanian Government, the Lithuanian Parliament and the European Parliament.

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

I am not involved in any current legal proceedings.

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

I am a Member of the Seimas (Parliament) of the Republic of Lithuania and Chairperson of its Committee of Foreign Affairs. In addition, I am a member of the Homeland Union – Lithuanian Christian Democrats, a political party represented in the Seimas, and a member of the Council of the party (*ex officio*, as a Signatory of the Act of the Restoration of Lithuania's independence). I have not held any other political position during the last 18 months.

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?

If I were appointed a Member of the Court of Auditors, I would of course do so.

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

I follow the path of moral excellence and integrity in which there is no place for fraud or corruption. In case of major irregularity or even fraud involving persons from Lithuania, I would deal with it in exactly the same manner as with the case involving persons from other Member States. I always had and will continue to have zero tolerance for fraud and corruption.

If I became aware of any instance of major irregularity, suspected fraud, corruption or other illegal activity involving persons from Lithuania or any other country, I would immediately act in full compliance with the Court's rules. I would handle the case with particular care and confidentiality and inform the Legal Service and the President of the Court to determine whether the case should be forwarded to OLAF or EPPO for further investigation. In case of even a slightest hint of appearance of conflict of interest due to the involvement of my compatriots, I would immediately disclose this to my peers and relevant services and abstain from further active participation in the proceedings.

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?

Sound financial management in the public sector is a multifaceted concept and is commonly governed by three key principles of economy, efficiency and effectiveness.

According to the Financial Regulation, the principle of economy requires that the resources used shall be made available in due time, in appropriate quantity and quality, and at the best price. The principle of efficiency concerns the best relationship between the resources employed, the activities undertaken and the achievement of objectives and the principle of effectiveness concerns the extent to which the objectives are achieved.

Furthermore, according to the Financial Regulation, the use of appropriations shall focus on performance by establishing ex-ante objectives and monitoring their progress. It is imperative, although it poses a challenge, that the objectives are specific, measurable, attainable, relevant and time-bound (SMART) and associated indicators are relevant, accepted, credible, easy and robust (RACER).

Mature sound financial management culture in the public sector is key to the improvement of public services and policies, reduction of poverty and thus the sustainable prosperity of society.

Sound financial management culture could also be linked to some major characteristics of good governance listed by the United Nations: accountability, transparency, effectiveness and efficiency.

Other features of sound financial management could be associated with the international standards set by the COSO framework and corresponding European Commission's internal control framework. It is designed to achieve five objectives: economy, efficiency and effectiveness of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities, and adequate management of the risks relating to the legality and regularity of the underlying transactions. In order to achieve these objectives, the organisations should introduce and implement the following components of the framework: the control environment (commitment to integrity and ethical values and enforced accountability), risk assessment (suitable objectives and risk management), control activities (mitigation of risk to the achievement of the objectives to acceptable levels), information and communication (use of quality information for effective external and internal communication), and monitoring activities (continuous assessment of the functioning of the internal control system).

As an independent external auditor of the Union, the Court of Auditors has an obligation, enshrined in the Treaty, to examine whether all revenue has been received and all expenditure was incurred in a lawful and regular manner with sound financial management.

In general, the Court fulfils this obligation by conducting performance audits and publishing special reports with recommendations on how to improve the economy, efficiency and effectiveness of the Union's operations, which is instrumental in enforcing the sound financial management culture in Union institutions and other bodies. In addition to these 3Es, the audits shall also consider environment, equality and ethics, the features that every modern organisation has to address. The Court's audits may be designed to address all or some of the above principles through direct performance audits of the Unions programmes and policies or

through audits of the control systems. In addition to the performance audits, the Court performs legality and regularity audits, which may contain the assessment of certain elements of the sound financial management including assessment of the internal controls.

The 2021-25 Strategy of the Court aims at improving the accountability, transparency and audit arrangements across all types of EU action and targets the audits on the most relevant areas and topics, in order to contribute to a more resilient, sustainable and fair European Union. In my opinion, this is the right direction towards enforcement of the sound financial management culture in the Union.

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?

Indeed, it is a fundamental role of the Court to help the European Parliament in exercising its powers of parliamentary control over EU finances and the achievement of the EU's policy objectives. The Court performs financial, compliance and performance audits, results of which are then presented to the European Parliament. The main audit outputs of the Court include the annual report with the statement of assurance on the Union's budget and the special reports on the effectiveness of the EU programmes and policies. These are extensively discussed and scrutinised by the Parliament with the leading role of the Committee on Budgetary Control (CONT). This is a key element of the EU's accountability chain where the directly elected representatives hold accountable those responsible for the management of the EU's finances, programmes and policies such as the European Commission, national governments and other bodies.

In order to fulfil the Parliament's role effectively, collaboration between the two institutions is essential. Thus, we should aim for continuous improvement to benefit the Parliament's oversight role.

The starting point for the improvement could be a more extensive involvement of the Parliament in the programming of the Court's work. The Court draws up its multi-annual work programme in consultation with the Parliament, which constitutes mainly considering audit suggestions received from the parliamentary committees. The number of suggestions by the committees is continuously increasing with 164 audit suggestions for the 2022+ work programme, and the Court takes into account a considerable part of it. In addition, the ECA President is invited for an exchange of views at the Conference of Committee Chairs. However, priorities for different EU spending and policy areas including specific topics could be discussed more extensively with CONT and other specialised committees at the beginning of the programming exercise. This could better align the planned audits with the legislative calendar of the Parliament and increase the added value and the relevance of the audit results. Although it is the Court's independent auditor's privilege to decide on its own work programme, close consideration of the views of the representatives of the citizens should be a norm.

To my knowledge annual meetings between CONT and the Court proved itself as a good platform to share ideas and exchange views. In addition to this, I would advocate for more

regular meetings between different committees and the Court's chambers to discuss matters of interest in specific EU policies.

Finally, more extensive participation of Court's Members and staff in the committees' discussions and use of their audit expertise in specific areas would benefit both institutions.

Last but not least, to enhance both the public oversight of the general spending and its value for money, the special reports and reviews must be timely, relevant and of the highest quality with meaningful conclusions and recommendations that are relevant and actionable by legislators.

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

The International Standard of Supreme Audit Institutions 300 (ISSAI 300) on fundamental principles of performance auditing establishes the framework for performance auditing with the aim to promote effective auditing and support the SAIs in the development of their own approach.

According to the definition given in ISSAI 300, "performance auditing is an independent, objective and reliable examination of whether government undertakings, systems, operations, programmes, activities or organisations are operating in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement."

The added value of performance auditing alongside financial and compliance audits, where the auditor provides opinions on the reliability of the financial statements and the legality and regularity of the underlying transactions, is that performance audits bring additional impetus for economical, efficient and effective use of public resources. Good performance audits have a real potential to look at the substance over form and show if the activities, projects not only comply with the rules but also genuinely create value. They also enhance accountability and transparency. By providing independent and objective conclusions and recommendations to the auditees and various stakeholders, the performance audits contribute to achieving the intended objectives of institutions, programmes and policies. In addition, independent and credible performance audit reports give guidance to policymakers and legislators in making well-informed decisions.

In the EU context, the Treaty requires the Court of Auditors to examine whether the financial management has been sound, i.e. conduct performance audits along with the examination of the legality and the regularity of the EU revenue and expenditure. The Court fulfils this obligation by conducting the performance audits that result in special reports published and presented to the European Parliament, the Council, national governments and parliaments and the public. The performance audits may significantly contribute to increasing the trust in the performance of EU institutions and the Union in general. The Court's role in performance auditing is even more important now in the context of the unprecedented challenges.

Court's performance audits also contribute significantly to the development of the sound performance management framework for the EU budget and other EU funds. As shown by the Court's performance audits as well as the annual audit reports on the performance of the EU budget, there is still room for improvement. For instance, the set performance indicators mainly cover inputs and outputs but less emphasis is put on the results and impacts, which

often poses a challenge to reach meaningful conclusions on the performance. This is not only true for the programmes and policies financed from the EU budget but also for the NextGenerationEU Initiative and its Recovery and Resilience Facility with over €700 billion in EU financial support, i.e. some 60% of the current Multiannual Financial Framework.

The impact of the Court's work and incorporation of its findings in management procedures of the auditees depend very much on the quality and timeliness of the audit reports and recommendations contained in them. In order to make the performance audits relevant, the Financial Regulation sets a limit of 13 month for the special reports to be prepared and adopted. I would advocate for even shorter and more rapid audits, which I believe is very critical in today's rapidly changing environment.

I would like to point out to the importance of recommendations as the principal result of the performance audit, including their rigorous follow-up. According to ISSAI 300, recommendations should be constructive and likely to contribute significantly to addressing the weaknesses or problems identified by the audit, and they should be well founded and add value. In this regard, I welcome the Court's attempts to improve the quality of the recommendations through the project of internal assurance.

Concerning the quality of the audits, the starting point is the proper assessment of risks and the selection of the audit topics with the greatest potential for improvement. Designing the audit task, collection of sufficient and appropriate audit evidence, proactive communication with the auditee and the stakeholders, drawing up the audit report with solid conclusions and useful recommendations and finally the effective dissemination of the audit results are equally important processes to make the Court's performance auditing more impactful.

It is worth mentioning that there is also a less visible part of performance audits resulting in the considerable improvement of the auditees' management procedures. Auditees could address some observations by correcting, adjusting, or improving the procedures following the findings sent to them in the clearing letters or at the stage of the adversarial procedure. Typically, such improvements are the result of Court's more specific observations that do not necessarily appear in the special audit reports.

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?

The Court and national audit institutions cooperate under the umbrella of the International Organization of Supreme Audit Institutions (INTOSAI) and its European organisation (EUROSAI).

Since a bulk of the EU budget is spent by the Member States under the shared management (around 80%), one could expect that the Court and Member States SAIs could work under the arrangements of the Single Audit approach meaning that each audit layer builds on work done by the preceding one, thus avoiding duplication. This approach also applies to cooperation between the European Commission and Member States' auditors (mainly audit authorities and the Certification Bodies). However, inherent limitations of such an approach in the case of the Court and national SAIs should also be noted as all institutions work under their own constitutional frameworks.

Instead, the Court and Member States SAIs, in the fulfilment of the obligation of the Treaty to cooperate in a spirit of trust while maintaining their independence, work together within the framework of the Contact Committee. The Committee contains working groups, networks and task forces on specific audit topics, which allows exercising different projects and cooperative audits of the common interest.

NewGenerationEU Initiative has opened new possibilities and, in fact, created the necessity of cooperation with the SAIs of the Member States. Considerable amount of EU funds are being utilised under national recovery and resilience plans. It is of the utmost importance to the Member States and the EU as a whole to achieve the objectives to recover from the COVID-19 pandemic and become a greener, more digital and more resilient Europe. In my opinion, cooperation with the national SAIs in this regard should be a priority, and the Court could act proactively by initiating and taking leadership in the joint audit activities.

When the Court's auditors perform audit missions in the Member States' authorities, SAIs provide the Court's auditors with local practical and logistical support as well as specific knowledge of the audited field.

In terms of cooperation with CONT, there could be more events organised to present the results of the Court's joint work with the SAIs as well as to discuss certain topics. This would allow CONT and the Court to get a better perspective of the national auditors. I believe that such tripartite cooperation could enrich the work of CONT and would be beneficial to the Court and SAIs as well.

Another way of cooperation is exercised through peer reviews, where one or several SAIs review the functioning of another SAI in order to confirm or improve compliance with applicable professional standards and the rules governing audit work.

Finally, there is ongoing practice in exchanging auditors employed by a national SAI as seconded national experts. This is a good opportunity for the Court and national SAIs to benefit from the exchange of knowledge and expertise of the highly experienced auditors and establish closer links within the European audit community. This type of bilateral cooperation should be certainly further exploited.

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?

Complete and accurate data is paramount in providing the legislators with the information to make well-informed decisions. The same applies to auditors in collecting sufficient appropriate audit evidence taken from reliable data sources supporting trustworthy findings, conclusions and recommendations.

During its annual report exercise the Court audits a sample of transactions and control systems in the Commission, selected Member States and other countries. Verification of the reliability of data and information systems that store, process, or retrieve data is an integral part of the annual audit. For instance, on the revenue part the auditors assess the Commission's systems to ensure that the Member States' GNI and VAT data constitute an appropriate basis for the calculation and collection of own-resource contributions.

There are a number of special reports assessing the specific systems and their data reliability, which also cover the data reliability at the level of the Member States. For instance, in the recent special report on customs controls, the auditors noted that the Commission has not systematically conducted an EU-wide analysis of data on all EU imports to detect financial risks in customs.

I would encourage the Court to continue reporting on the accuracy of data in its financial, compliance and performance audits selected on the basis of the risk analysis. In terms of further development, the Court should examine the reliability and completeness of the Member States' performance data which serves as a basis for the Commission's performance reporting on the EU budget. I also believe that systems related to Member States' data on the implementation and performance of the national recovery and resilience plans should be firmly in the Court's focus.

I believe the ongoing development of digital/big data audits in the Court may significantly improve the understanding of the accuracy of the Member States data and consequently give the European Parliament a picture that is much more complete.

Other questions

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

My nomination for the European Court of Auditors is based on a broad consensus reached between the Parliament, the Government and the President of Lithuania. The Seimas (Parliament) of Lithuania voted overwhelmingly in favour of my candidacy: out of 113 MPs who participated in the voting, 111 voted in favour, 1 against and 1 abstention, which leads me to believe in my good fit as a candidate.

Nevertheless, should the opinion of the European Parliament on my appointment as Member of the Court be unfavourable, I would respect that decision and would withdraw my nomination, especially in view of my 13-year-long experience in the European Parliament and the respect I have for the institution and for my former colleagues.

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Replacement of a member of the European Court of Auditors - LT nominee						
References	11410/2022 – C9-0301/2022 – 2022/0807(NLE)						
Date of consultation or request for consent	24.8.2022						
Committee responsible Date announced in plenary	CONT 12.9.2022						
Rapporteurs Date appointed	Claudiu Manda 14.9.2022						
Discussed in committee	6.10.2022						
Date adopted	6.10.2022						
Result of final vote	<table> <tr> <td>+: </td><td>12</td></tr> <tr> <td>–: </td><td>7</td></tr> <tr> <td>0: </td><td>2</td></tr> </table>	+:	12	–:	7	0:	2
+:	12						
–:	7						
0:	2						
Members present for the final vote	Gilles Boyer, Olivier Chastel, Caterina Chinnici, Lefteris Christoforou, Luke Ming Flanagan, Isabel García Muñoz, Monika Hohlmeier, Pierre Karleskind, Sándor Rónai, Petri Sarvamaa, Angelika Winzig, Lara Wolters, Tomáš Zdechovský						
Substitutes present for the final vote	Bas Eickhout, Maria Grapini, Marian-Jean Marinescu, Mikuláš Peksa, Simone Schmiedtbauer, Ramona Strugariu						
Substitutes under Rule 209(7) present for the final vote	Henrike Hahn, Cláudia Monteiro de Aguiar						
Date tabled	10.10.2022						