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REPORT

on the nomination of Petri Sarvamaa as a Member of the Court of Auditors
(C9-0345/2023 – 2023/0811(NLE))

Committee on Budgetary Control

Rapporteur: Gilles Boyer

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PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the nomination of Petri Sarvamaa as a Member of the Court of Auditors
(C9-0345/2023 – 2023/0811(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 (C9-0345/2023),
 - having regard to Rule 129 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0349/2023),
- A. whereas, by letter of 22 September 2023, the Council consulted Parliament on the nomination of Petri Sarvamaa as a Member of the Court of Auditors;
- B. whereas Parliament’s Committee on Budgetary Control then proceeded to evaluate Petri Sarvamaa’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 Petri Sarvamaa, as well as the replies to the written questionnaire that he had been sent;
- C. whereas the committee subsequently held a hearing with Petri Sarvamaa on 7 November 2023, at which he 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 Petri Sarvamaa 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: LIST OF ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The following list is drawn up under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following entities or persons in the preparation of the report, until the adoption thereof in committee:

Entity and/or person
Petri Sarvamaa MEP

ANNEX 1: CURRICULUM VITÆ OF PETRI SARVAMAA

2019- Member of the European Parliament

Committee on Budgetary Control, coordinator for EPP group

EPP WG Budget and Structural Policies, vice-chair

Conditionality regulation on the Rule of Law, co-rapporteur and lead negotiator

Committee on Budgets, substitute member

Committee on Agriculture and Rural Development, member

2014-2019 Member of the European Parliament

Committee on Budgets, first vice-chair

Committee on Budgetary Control, coordinator for EPP group

Committee on Civil Liberties, Justice and Home Affairs, substitute member

2012-2014 Member of the European Parliament

Committee on Budgetary Control, vice-coordinator for EPP group

Committee on Transport and Tourism, member

Committee on Agriculture and Rural Development, substitute member

2011-2012 Sihti Ltd., recruitment service company, Director of Development

2007-2010 Duty Editor and Special Assignments Reporter, A-studio current affairs, The Finnish Broadcasting Company

2002-2006 USA Bureau Chief, Washington DC, The Finnish Broadcasting Company

1997-2002 Foreign News Editor, TV News, The Finnish Broadcasting Company

1996-1997 Duty Editor, A-studio current affairs, The Finnish Broadcasting Company

1990-1996 Foreign News Reporter, 1V News, The Finnish Broadcasting Company

1989 CNN International Professional Programme, Atlanta (USA)

1986-1990 Reporter, TV News, The Finnish Broadcasting Company

Education: Bachelor of Political Sciences, University of Helsinki

ANNEX 2: ANSWERS BY PETRI SARVAMAA 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.

My professional experience in public finance consists of my 11,5 years of work in the Budgetary Control Committee (CONT) and Budgets Committee (BUDG) of the European parliament.

I have served in CONT since my first day in the European parliament, March 1, 2012. In 2013 I became vice-coordinator for my political group, and 2014-2019 I served as coordinator. Subsequently 2019-2021 I was again the vice-coordinator, and since the beginning of 2022 I again took the work and responsibilities of the coordinator. In these capacities, among other aspects of control of the EU budget, I have followed the work of the European Court of Auditors very closely; using ECA reports in my work, visiting the Court of Auditors in Luxembourg, discussing their work with the members of ECA and overseeing the hearings of about 20 current members for my political group in the CONT committee. Hence, I have extensive and wide experience of the control aspect of the EU budget and specifically of the work and contribution of the ECA.

In BUDG committee I served as the 1st vice-chair from 2014 to 2019, and again since 2021 as an active substitute member. These years have given me a ringside view of the budgetary planning and budget implementation of the European Union. For example, in 2017 I chaired the trilogues on behalf of BUDG for of the extension of the so-called “Juncker Plan”, the European Fund for Strategic Investments.

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

In my career in European politics, I personally consider my biggest achievement the negotiation work on the Rule of Law conditionality regulation (2018-2020), and the ensuing monitoring work of the implementation of that regulation (2021-ongoing). This regulation conditions the receiving of EU funds to adhering to the principles of the rule of law. I was leading the negotiations on behalf of CONT committee and the European parliament. As we know, this regulation became a game changer. Today, based on this regulation, tens of billions of euros are being frozen from two member states because of breaches of the rule of law in those member states.

In the budgetary sphere, I was happy to play a significant role on another important legislation, the European Fund for Strategic Investments, phase two. For this, I chaired the trilogue negotiations between the European parliament, the Council and the Commission in 2017. This fund and its extension (2017-2020) triggered and mobilised hundreds of billions of euros of private investment for a wide range of projects carried out in the EU.

Other achievements in the European decision-making, which for me have been among the most significant, include my role in the European Forest Strategy (rapporteur 2019), and my negotiating role back in 2013 regarding weight and dimensions of trucks roaming in Europe,

latter having to a large extent saved the livelihood of heavy truck transportation enterprises in my member state.

I would also like to include some of the things I had the privilege of achieving in my first career of journalism, which spanned over 20 years of my life. In those years between 1988 to 2010, I witnessed first-hand the beginning of velvet revolution in Czechoslovakia, the aftermath of throwing out Nicolae Ceausescu in Romania, first free elections in post-communist Bulgaria and Poland, and eventually the break-up wars of Yugoslavia in Croatia and Serbia. I was personally lucky to be around when TV news itself was revolutionised with the birth of CNN, where I was working when the Berlin wall came down in 1989. I covered the Bush-Gorbachev summit in 1990, which set the beginnings of the “new world order” for the following decade. I was on board USS America when the jets taking off from her deck ended the longest lasting siege (of Sarajevo) in Europe after the Second World War.

I covered the Conference on Security and Co-operation in Europe (CSCE), met countless European and World leaders and followed the emergence of post 9/11 world, when I was based in Washington D.C. between 2002 to 2006. I see it worthwhile to mention these things here in my written answers to questions on my merits to become a member of the European Court of Auditors, simply because in my mind all those events and my proximity to them made me better understand the importance of the European project.

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

- Cable News Network (1989)
- Countless engagements with multicultural and multilinguistic organisations as a journalist between 1990-2010
- Member of the European parliament (2012-)

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

During my professional career, I have not been subject to discharge process.

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

None.

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

1) Having been co-rapporteur of the Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget

2) Having been the European parliament co-chair for the trilogue negotiations of the Regulation 2016/0276 (COD) European Fund for Strategic Investments; extension of duration (The “Juncker Plan”)

3) Having been rapporteur on the European Forest Strategy in 2019-2020

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?

According to the Treaty on the Functioning of the European Union, Articles 285 and 286, Section 7: Members of the European Court of Auditors are required to be completely independent. I fully respect this rule. While transparency, independence and objectivity have been cornerstones of all my political work throughout my career, as a Member of the ECA I would abide by these principles one hundred percent.

I would also fully respect the code of Conduct for ECA Members and would ask for advice from the Court’s Ethics Committee in any possible indistinct situations.

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?

No.

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

Yes, I am fully prepared to disclose all information.

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

No, I am not.

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 European Parliament since March 1, 2012. At European level I am representing the European People's Party (EPP), and in my member state Finland I am a member of the National Coalition Party (Kokoomus).

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?

Yes, without a hesitation.

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

Should this type of a situation occur, I would follow the same process as with any other fraud case. Impartiality, professional scepticism and judgement are crucial abilities that being a Member of the ECA require, and I consider myself to fulfil them. In a situation like this, it would also be crucially important to co-operate transparently with the European Anti-Fraud Office and the European Public Prosecutor.

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 must be at the centre of all public spending. Sound financial management must be respected in the strategy, values, culture and day-to-day activities of the public organisation and its officials.

Public spending should also be transparent and accountable to the public, in order to cherish its legitimacy.

In practice, key features of a sound financial management culture include:

- Clear strategic vision: well-defined strategies and objectives provide a sense of purpose and direction.
- Transparency and public engagement: openness and accessibility in all financial processes, coupled with active engagement with the public, foster trust and confidence.
- Administrative capability: sufficient organizational capacity is crucial to ensure effective implementation.
- Solid regulatory measures: a strict control framework guarantees the legality and regularity of financial allocations and expenditures.
- Traceability and democratic oversight: transparent reporting, follow-ups and public disclosure of achieved outcomes establish democratic accountability.
- Ethical governance: an ethical governance structure ensures the enforcement of moral standards and integrity.

ECA could help to enforce these key features by:

- Leading with example and demonstrating sound financial management practices in its own operations.
- Providing guidelines and sharing best practices.
- Providing recommendations based on versatile auditing methods and following up on these recommendations.
- Making sure the recommendations are understood in the public organization at hand, by working with key stakeholders such as senior management and staff.
- Improving stakeholder relations and dialogue over and above the regular parliamentary processes.
- Engaging with the public to build awareness and understanding of the importance of sound financial management in the public sector.
- Supporting research on sound financial management practices.
- Working with other international organizations to promote and support sound financial management practices around the world.

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?

The relationship between the European Court of Auditors (ECA) and the European Parliament is clearly defined in Article 287 of the Treaty on the Functioning of the European Union (TFEU).

The ECA and in particular European Parliament's CONT-committee must work seamlessly together in order to ensure proper accountability and oversight of the EU's budget.

In order to further develop cooperation between the two, especially at the beginning of a new parliamentary term next year, the ECA must create a strong connection with and engage new CONT-members in the ECA's work. In this, the ECA and its members must be proactive, and I would strive for this kind of activity if I were elected.

Current methods for control over the implementation of the budget, such as special reports, on-the-spot inspections, or other assessments are important for supporting the work of CONT and should be maintained and developed.

Although current practices are generally working, their usefulness should be constantly monitored and evaluated. The ECA should also ask for up-to-date information from CONT members on how they want the ECA to produce information to support their decision-making. If the ECA's current practices are considered insufficient or unbeneficial, the suggestions of CONT-members for improving cooperation should also be taken into account.

In addition to this, I think it is important to consider how this valuable information can be made more accessible to the public. The ECA should also actively communicate its reporting

results to citizens in order to enhance public oversight of general spending and its value for the money.

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

First of all, it seems clear to me that performance auditing will, in many ways, remain the area of the Court's work which will gather most attention in the coming years. This is simply because of the "famous three Es", it is efficiency and effectiveness that will be paid increasing attention in both national and EU budgeting. Money will be even more scarce than before. In a way, the answer to the first question about added value is already answered: Everyone, starting from the taxpayers, to national and EU decision-makers will have an increasing appetite to get more detailed and specific answers to the question "What do we get with our money?"

This means that performance auditing has to be continuously and constantly developed. This is indeed reflected in the current ECA strategy, and will have to be paid extra attention in developing a new ECA strategy beyond 2025.

As for the other side of the coin, it is equally important that the findings and recommendations of ECA also result in meaningful change in management procedures. This process can partly be seen as one, never-ending evolvement, where ECA ideally concentrates its performance auditing on relevant areas and topics. In addition, to get the most out of performance auditing, the targets and objectives of the audited program should be sufficiently defined. In other words, it is important for ECA from the very beginning to pick the right cases for performance audit.

When presenting findings and giving recommendations, the ECA ideally should be as concrete and specific as possible. The more it is, the harder it will be for key stakeholders to ignore ECA's recommendations. Because here, it is good to keep in mind that the final incorporating of findings and recommendations is up to others, mostly to the Commission and member states. And finally, as far as performance auditing is concerned, the added value is only in the change for more and better performance that ECA can contribute to - and it can only be estimated vis-a-vis this.

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?

I think one of the keys to answer this question is seeing the Court in the middle; it is the European Court of Auditors that is continuously dealing directly with both the National Audit Institutions and CONT.

The best ways to enhance the co-operation of ECA and the national auditors can be found in more and better communication between the two. That means, for example, more efficient sharing of knowledge, learning from each other when developing best practices and

benchmarking. Other meaningful ways could involve more coordination of audits, especially to find the best potential in the field of joint audits.

As the third dimension of the question is the CONT committee, it is essential to keep in mind that CONT is the crossroads when looking at the implementation of the EU budget. The committee and its members have substantial knowledge and understanding of shared management, which in turn represents some 80 percent of the whole EU budget. Therefore, when trying to improve the efficiency of this triangle, one should definitely think of ways to enhance the communication from the middle (ECA) to both sides at the same time.

Further strengthening of co-operation between the three could perhaps take place in the form of a joint workshop of the ECA, the National Audit Institutions and the Budgetary Control Committee of the European Parliament. Perhaps in this setting, some deeper questions could be solved, such as compatibility of different audit methodologies.

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?

Unfortunately, it is true that we have had plenty of examples where the European Commission did not receive accurate information from the member states. There are many sides to this problem, and one way to look at it is exactly this: Does ECA give all relevant information on its findings of inaccurate or insufficient data, given by the member states, to the European Parliament and its CONT committee?

We should be very honest here, because the most important goal for us all here is actually to make the EU budget work better, whether it's about financial, compliance or performance audit. Having been part of these discussions for almost twelve years, I heard a wrong question too many times: "What do you think of the so-called naming and shaming?" The question has a wrong starting point in it. It is not about shaming, it's about sound financial management and protection of the EU budget. And taking good care of the taxpayers' money. To be honest, I am a little bit worried that for some time already, I haven't heard even the wrong question anymore.

So, I think that the European Court of Auditors should strive for more openness and candor in its reporting of the findings in the member states. The only way to make things better is for everyone involved to know what and exactly where in the system are the problems, misgivings and weaknesses.

Other questions

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

I will respect the result of the vote in CONT committee and the plenary, and withdraw myself as candidate if necessary.

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	7.11.2023
Result of final vote	+: 19 -: 2 0: 3
Members present for the final vote	Gilles Boyer, Olivier Chastel, Ilana Cicurel, Carlos Coelho, Beatrice Covassi, Luke Ming Flanagan, Daniel Freund, Isabel García Muñoz, Joachim Kuhs, Alin Mituța, Jan Olbrycht, Markus Pieper, Sándor Rónai, Eleni Stavrou, Angelika Winzig
Substitutes present for the final vote	Maria Grapini, Hannes Heide, Marian-Jean Marinescu, Mikuláš Peksa, Tsvetelina Penkova, Pirkko Ruohonen-Lerner
Substitutes under Rule 209(7) present for the final vote	Dominique Bilde, José Manuel Fernandes, Seán Kelly