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*Plenary sitting*

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**A9-0391/2023**

5.12.2023

# REPORT

on the nomination of João Leão as a Member of the Court of Auditors  
(C9-0397/2023 – 2023/0814(NLE))

Committee on Budgetary Control

Rapporteur: Mikuláš Peksa

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## PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the nomination of João Leão as a Member of the Court of Auditors  
(C9-0397/2023 – 2023/0814(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 (C9-0397/2023),
  - having regard to Rule 129 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A9-0391/2023),
- A. whereas, by letter of 25 October 2023, the Council consulted Parliament on the nomination of João Leão as a Member of the Court of Auditors;
- B. whereas Parliament's Committee on Budgetary Control then proceeded to evaluate João Leão'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 João Leão, as well as the replies to the written questionnaire that he had been sent;
- C. whereas the committee subsequently held a hearing with João Leão on 29 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 João Leão 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: ENTITIES OR PERSONS  
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The rapporteur declares under his exclusive responsibility that he did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

## ANNEX 1: CURRICULUM VITÆ OF JOÃO LEÃO

### JOÃO LEÃO

**Nationality:** Portuguese

**Date and place of birth:** 15 February 1974, Lisbon, Portugal

### BIOGRAPHY

João Leão is currently Professor of Economics and Public Finance and Vice-Rector at the ISCTE – University Institute of Lisbon. His research interests include economic regulation, public finance and macroeconomics.

João Leão was Portugal's Minister of State for Finance from 2020 to 2022 and Secretary of State for Budget from 2015 to 2020.

From 2010 to 2014 he was Director-General of the Research Office of the Ministry of the Economy. Prior to that, he was Professor of Economics at the University Institute of Lisbon and at the Nova School of Business and Economics.

João Leão obtained his PhD in Economics from the Massachusetts Institute of Technology (MIT) in the USA and his Master's and Bachelor's degrees in Economics from the Nova School of Business and Economics.

As part of his duties as Minister for Finance, he represented Portugal as a Governor of the European Stability Mechanism, the European Bank for Reconstruction and Development, the European Investment Bank, the African Development Bank Group, the Asian Development Bank, the Asian Infrastructure Investment Bank, the Inter-American Development Bank and the World Bank.

He was also Chair of the ECOFIN Council during the Portuguese Presidency of the Council of the European Union in 2021 and Chair of the Board of Governors of the European Bank for Reconstruction and Development from 2021 to 2022.

### EDUCATION

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2008 PhD in Economics, Massachusetts Institute of Technology (MIT)  
2003 Master's degree in Economics, Nova School of Business and Economics  
1999 Bachelor's degree in Economics, Nova School of Business and Economics

### PROFESSIONAL EXPERIENCE

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|------------------------|---|
| 2022 – present         | Professor of Economics and Public Finance and Vice-Rector at the University Institute of Lisbon |
| 2020 – 2022            | Minister of State for Finance   |
| 2015 – 2020            | Secretary of State for Budget   |
| 2014 – 2015, 2008–2010 | Assistant Professor, Department of Economics, University Institute of Lisbon                    |
| 2010 – 2014            | Director-General, Research Office of the Ministry of the Economy                                |
| 2000 – 2008            | Assistant, University Institute of Lisbon   |
| 1999 – 2000            | Junior teaching assistant in Economics, Nova School of Business and Economics                   |

## OTHER PROFESSIONAL ACTIVITIES

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|             |   |
|-------------|---|
| 2021 – 2022 | Chair of the Board of Governors of the European Bank for Reconstruction and Development   |
| 2020 – 2022 | Member of the Board of Governors, European Stability Mechanism; European Bank for Reconstruction and Development; European Investment Bank; African Development Bank; Asian Development Bank; Asian Infrastructure Investment Bank; Inter-American Development Bank; World Bank |
| 2021        | Chair of the ECOFIN Council during the Portuguese Presidency of the Council of the European Union   |
| 2010 – 2014 | Member of the Economic and Social Council   |
| 2010 – 2014 | Member of the Superior Statistics Council   |
| 2010 – 2013 | Member of the General Council of the University Institute of Lisbon   |
| 2009 – 2013 | PhD programme director for Economics at the University Institute of Lisbon  |
| 2009 – 2010 | Chair of the Scientific Council of the Department of Economics, University Institute of Lisbon  |

## **ANNEX 2: ANSWERS BY JOÃO LEÃO TO THE QUESTIONNAIRE**

### **Questionnaire for Candidates for Membership of the Court of Auditors**

#### **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 working life has been dedicated to public service and public finance. I have held relevant positions with responsibilities for budgetary planning, budget implementation, budget control and auditing. I was Portugal's Minister of State for Finance and Secretary of State for the Budget, and I have held leadership positions at public entities with responsibility in these areas, in addition to being a university professor of economics and public finance.

As Portugal's Minister for Finance (2020-2022), I held ultimate responsibility for drafting the Portuguese State Budget. This involved planning and forecasting the State Budget's expenditure and revenue, and coordinating the main measures to be introduced in the budget. I was also responsible for setting the rules for the drafting and implementation of those measures. In addition, I was responsible for the Portuguese State's medium-term financial planning, for the drafting of the Stability Programme and for compliance with European budgetary rules. This required working closely with internal contacts and liaising with European institutions in the context of the European Semester.

During this period, I held ultimate responsibility in Portugal for implementing and managing the Portuguese State Budget in order to ensure that the targets established were achieved as efficiently as possible.

As Minister for Finance, I supervised Portugal's Audit Authority, the General Finance Inspectorate (Inspeção Geral de Finanças – Autoridade de Auditoria, IGF), which is responsible for internal financial and budgetary audits – and the audit authority for the implementation of European Funds in Portugal. In this position, I had responsibility for supervising and approving a high number of compliance, financial and performance audits carried out by the IGF. I also paid close attention to the audits of the Portuguese Court of Auditors, as independent external audit authority, and its recommendations were taken into consideration, particularly in relation to the State's financial management, when drafting the State Budget and the General Government Accounts.

I served as Secretary of State for the Budget at the Ministry of Finance (2015-2020), where I was responsible for the drafting of five of Portugal's State Budgets, including support for the drafting of the budgets of the different ministries, and played a key role in setting the budget allocations of the ministries and the main public entities.

As Secretary of State for the Budget, I was directly responsible for the overall management and implementation of the Portuguese State Budget. This included responsibility for ensuring that the various public entities worked within their budgets. I was also responsible, during the budget's implementation, for managing the strengthening and reallocation of budget allocations between ministries and public agencies, within the legal limitations established in the State Budget.

I also held responsibility, after final implementation of each budget, for reporting and accountability to the country's Parliament through the preparation of the General Government Accounts. I also had responsibility for monitoring the implementation of the budget throughout

the year and for drafting monthly reports on the implementation of the State Budget.

Furthermore, I was responsible for the implementation of an ambitious reform of the management of public finance and for the amendments to the Budget Framework Law that were required to implement that reform.

As Secretary of State for the Budget, I also supervised the IGF (the entity responsible for internal audits of the Portuguese State) as part of the auditing and evaluation of the legality and regularity of public expenditure by public services. As such, I was responsible for analysing and approving a very high number of audits carried out by the IGF of Portugal's different public entities.

In my years in leadership positions at the Ministry of Finance, as Minister for Finance and as Secretary of State for the Budget, I drafted and implemented seven State Budgets. I was therefore one of the primary officials at the Ministry of Finance responsible for the recovery of public finances in Portugal over the past decade. In 2022, Portugal had a budget deficit of just 0.3% of GDP, one of the lowest in the European Union (EU). Portugal also achieved the third-largest reduction in its public debt in the EU between 2015 and 2022.

As Director-General of the Research Office of Ministry of the Economy (2010-2014), the entity responsible for the Ministry of the Economy's planning and strategy, I was responsible for assisting and monitoring the drafting of the budgets of that Ministry's entities, and for setting their corresponding targets and objectives. I was also responsible for assisting, monitoring and supervising the implementation of their budget and for supporting the Ministry of the Economy in this area.

As Director-General of the Research Office, I was also responsible for the finance department, namely for the drafting and implementation of that Directorate-General's budget. As Vice-Rector of a university (since 2022), I support the drafting of the university's budget, and I am responsible for supervising the implementation of its main investment projects.

Finally, as professor of economics and public finance, the central focus of my career and academic research has been to promote efficiency in the use of public funds and the management of public finance.

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

One of the main achievements of my professional career has been my contribution to the very positive progress in Portugal's public finances over the period in which I served at the Ministry of Finance (2015-2022), as Portugal's Minister for Finance and as Secretary of State for the Budget. This progress resulted from the culmination of efforts and reforms implemented in Portugal over the past decade.

As a result of this work, in 2019 Portugal achieved its first budget surplus of the past 50 years. After the pandemic, in 2021, Portugal was among the first European countries to return to a budget deficit of less than 3%, while in 2022 it had a budget deficit of just 0.3%, one of the lowest in the EU.

Between 2015 and 2022, Portugal achieved the second-largest reduction in its budget deficit in the EU, and the third-largest reduction in public debt (as a % of GDP). In 2015, when I took office at the Ministry of Finance, Portugal was still subject to the Excessive Deficit Procedure, with a budget deficit of 4.4%, despite previous efforts. In recent years, the management of public finances in Portugal has been widely praised by international institutions such as the



European Commission and the IMF. In 2015, Portugal's public debt was rated in the speculative grade category. It now has an A rating and Portugal currently belongs to the group of EU countries financed with the lowest interest rates in the financial markets. This very positive progress in public finances took place in a scenario where the recovery of the economy and of employment was achieved in tandem with the implementation of important social and environmental policies, as well as policies to improve the country's competitiveness.

Another milestone of my professional career was the economic and financial management during the pandemic. As Minister for Finance, I had responsibility within government for negotiating, implementing and financing the main financial impact measures to address the consequences of the pandemic against a highly uncertain backdrop. In a short period of time, exceptional new schemes needed to be approved to support families and employment, as well as measures to support businesses and to preserve the country's productive capacity. These new, wide-ranging programmes included the 'layoffs' measure (supporting a significant part of the salaries of businesses in the affected sectors), exceptional support for unemployed workers and the self-employed, major schemes to finance the liquidity of companies and special support for the most affected sectors, including transport, tourism and catering. This programme of measures was partially funded by European schemes such as SURE and REACT-EU.

Meanwhile, encompassing all this work, it was necessary to activate all the supervisory structures and procedures required to ensure financial implementation of these schemes in the interests of regularity and economic efficiency.

These exceptional public policies had very positive outcomes for employment and for the preservation of the productive capacity of the Portuguese economy. Although the pandemic triggered the largest drop in economic activity since the Second World War, employment in Portugal remained relatively stable, and, in 2022, after the end of the pandemic, employment reached an all-time high. The economy also recovered rapidly in 2022, and GDP was already 3.5% above its level in 2019, the year before the pandemic. Meanwhile, public finances improved rapidly, and by 2022 were almost balanced, with a budget deficit of only 0.3%, one of the lowest in the EU. Sound management of the public finances during the pandemic was a fundamental factor. There was no hesitation in providing strong support to businesses and families, but there was also a concern that the support should be targeted (aimed at those most affected) and should be temporary in nature, so that when the pandemic ended, the public finances could rebound quickly.

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

I coordinated ECOFIN during the Portuguese Presidency of the Council of the European Union in the first half of 2021. As Minister for Finance, I was a member of ECOFIN and of the Eurogroup, and I participated in their meetings each month. The duties of ECOFIN coordinator, and those of members of ECOFIN and the Eurogroup, involved close and frequent multilateral and bilateral contacts with the governments of various European countries and with the EU institutions, such as the European Commission and the European Parliament.

I was elected Chair of the Board of Governors of the European Bank for Reconstruction and Development (EBRD) while I was Portuguese Minister for Finance (2021-2022).

I have been a member of the Board of Governors of international institutions such as the

European Stability Mechanism; the European Bank for Reconstruction and Development; the European Investment Bank; the African Development Bank; the Asian Development Bank; the Asian Infrastructure Investment Bank; the Inter-American Development Bank and the World Bank (2020-2022), as Portugal's Minister for Finance.

As Director of the Research Office of the Ministry of the Economy, I had very frequent contacts and meetings, including participation in working groups, with international institutions such as the OECD, the IMF, the World Bank and the European Commission.

I completed my PhD in Economics and worked at the Massachusetts Institute of Technology (MIT) in the US (2003-2008), a university with a strong international focus, where most of the lecturers, researchers and students are from all over the world.

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

Portugal does not have a discharge procedure similar to that of the EU. However, as part of the accountability to which I am bound, discharge was always granted by the Portuguese Parliament in the seven years that I served as Minister for Finance, during which time I was responsible for budget implementation by approving the General Government Accounts.

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

I was appointed Minister of State for Finance (2020-2022) and Secretary of State for the Budget (2015-2020) by the President of the Republic of Portugal, having been nominated by the Prime Minister. I served in these roles in an independent capacity, without belonging to any political party.

I was appointed Director of the Research Office of the Ministry of the Economy (2010-2013 and 2013-2014), and was Adviser to the Secretary of State for the Economy (2009-2010).

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

Firstly, as Minister for Finance, this was the decision on the package of economic and financial support measures aimed at addressing the pandemic. In a very difficult, new and uncertain situation, I had to negotiate and decide on the programme of measures that were vital to protecting families and preserving employment, businesses and the productive capacity of the Portuguese economy during the pandemic, while simultaneously ensuring that they were implemented within a framework of regularity and scrutiny.

Secondly, these were decisions on the budgetary and financial reforms and measures aimed at improving the status of Portugal's public finances while I was Minister for Finance and Secretary of State for the Budget between 2015 and 2022. This series of measures was decisive in Portugal being able to exit the Excessive Deficit Procedure it had been subject to since 2015, with a budget deficit of 4.4% to a budget deficit of just 0.3% in 2022, one of the lowest in the EU, and to have the third-largest reduction in public debt in the EU between 2015 and 2022.

Finally, as Minister for Finance and Secretary of State for the Budget within a minority government, over the years I played, in the course of seven budgets, a key role in negotiating Portugal's Draft State Budget and respective measures, in order to gather the support of several other parties in the Portuguese Parliament. These were difficult and very important decisions,

because the approval of the State Budget and resulting political and economic stability depended on them. At the same time, it was essential to ensure that the package of measures set out in the budget was effective and efficient, and that this would help to improve the sustainability of Portugal's public finances.

## **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 one of the fundamental values that should guide the work of the European Court of Auditors (ECA), as established in the Treaty and in the ECA's Code of Conduct.

Being independent means not accepting any instruction from any government or from any other public or private entity. It also means being free from any influences that could compromise, or appear to compromise, the performance of duties as a member of the ECA.

I do not hold any political office, nor do I have other activities or business interests that could raise any doubts about my independence.

I undertake to carry out my mandate, should I be appointed as a member of the ECA, in an impartial and independent manner, and to base my professional judgement on empirical evidence and objective, adequate and reliable data.

Should I ever, in the performance of my duties, encounter any potential conflict of interest, or a situation that merely appears to be a conflict of interest, I will immediately take action, and will seek the opinion of the Ethics Committee and the President of the European Court of Auditors. If necessary, I will withdraw from the activity concerned, in strict compliance with the Code of Conduct of ECA members, as well as its members' ethical framework.

Throughout my professional career, and in the different roles I have performed, I have been guided by principles of independence, rigour and objectivity.

### **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 are potentially in conflict with your prospective duties?**

No. Neither I nor my close relatives have any holdings or commitments that are in conflict with my duties as a member of the European Court of Auditors.

### **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 prepared to disclose all my financial interests and commitments and to make them public. Because of the public service duties I have performed in the past, it has been possible to examine my financial interests and commitments since 2010.

### **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.**

No, I do not currently carry out any activity or executive role in politics, and I have not held any political position during the past 18 months. In addition, I have never belonged to any political party. The public duties I have performed in the past have always been in an independent capacity.

**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?**

As mentioned in my response to question 11, I do not currently hold any elected office or party political position, and do not intend to join any political party.

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

All cases of irregularity or fraud must be dealt with in exactly the same way, regardless of the Member State. I believe fraud and corruption is completely unacceptable and advocate a zero-tolerance policy in this regard.

If any suspected fraud or corruption were detected in audit work, it would be promptly forwarded to OLAF or the EPPO, as appropriate, in full compliance with the ECA's procedures. In that scenario, I would fully support the audit teams and work in collaboration with the ECA's Legal Service and President.

**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 is critical to ensuring that public policies and decisions yield the greatest benefit for citizens and help to build citizens' trust in public institutions.

Sound financial management must ensure sound economic and financial performance, respecting the principles of economy, efficiency and effectiveness: It must ensure that public funds are used efficiently, guaranteeing the best possible relationship between the funds applied and the achievement of objectives, and must promote effectiveness: in other words, the ability to meet the established objectives.

The objectives of the measures and programmes must be established in advance and on the basis of an informed decision on their costs and benefits. Progress in achieving the objectives must be monitored against suitable indicators. As provided for in Article 33 of the Financial Regulation, the objectives must be specific, measurable, attainable, relevant and time-bound. There must be utmost transparency in the implementation of the budget and its programmes. Its implementation must be regularly reported on to the European Parliament and to the Council. A culture of sound financial management must ensure that information and data are easily accessible and understandable, to allow for adequate democratic scrutiny.

Strong mechanisms of internal scrutiny must be established to allow for an appropriate

assessment of risks and to guarantee the quality and accuracy of the information reported, the regularity and legality of the expenditure incurred, and efficiency and effectiveness in the use of public funds.

Sound use of information technology is essential to improving financial management and internal control systems.

The European Court of Auditors (ECA) plays a key role in promoting the principle of sound management of public finances. It is the ECA's mission to carry out audits and reports to assess the quality of the management of public finances, namely whether it adheres to the principles of economy, efficiency and effectiveness, as well as the legality and regularity of the expenditure. The ECA therefore contributes towards greater transparency and accountability of decision-makers and towards sound public financial management. The ECA's work provides a strong ex-ante incentive for public entities to promote sound financial management because they know they will be meticulously and transparently assessed by the ECA, the EU's independent external auditor. In addition, ECA audits help to identify shortcomings and areas where financial performance should improve, and make recommendations about how to do so. These can then be used by decision-makers to improve the management of public finances. It is important to emphasise not only shortcomings but also good practices that can be followed.

For the ECA's recommendations to have an impact, it is important that they are made in a clear and precise way, and that there is a subsequent follow-up to assess whether they are being implemented. The audit work of the ECA will also have a greater impact if it is done in a timely manner, so that it can be used by decision-makers and public officials, and if there is a good working relationship with the European Parliament, particularly with the European Parliament's Committee on Budgetary Control (CONT), so that its work in inspecting the EU budget can draw from the information produced by the ECA.

**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 European Parliament plays a vital role in the inspection and scrutiny of EU budget implementation so as to ensure that spending is carried out in accordance with the law and in the most effective and efficient way with a view to improving the lives of EU citizens.

One of the main tasks of the ECA is to support the European Parliament in exercising its powers of control over the implementation of the budget, as provided for in Article 287 of the Treaty. The European Parliament, and CONT in particular, should therefore be the ECA's closest partner, and every effort should be made to improve effective cooperation between these institutions.

It is the ECA's role to provide all information and data relevant to the European Parliament's activity. There should be an ongoing and intensive channel of communication between the ECA and the European Parliament, through formal or informal contacts, including regular meetings between members of the ECA and CONT and their teams, to enable the exchange of information, views and priorities. This will enable the ECA to gain a better understanding of the European Parliament's needs and of how best to meet them.

The ECA's reporting to the European Parliament should be stepped up. In establishing the ECA's programme of work, it is crucial that the ideas and concerns of Parliament are taken into

account in order to reflect its priorities and so that topics to be audited can be suggested. This interaction of the ECA with Parliament is decisive in selecting the most important, relevant and impactful topics. To strengthen the supervision of value for money in spending, it is also important to increase the number of specific and special reports in areas of increased risk and with high economic and financial impact.

In addition, the ECA's reports and opinions must be presented in a timely manner and in tandem with the discharge process and the legislative process, so that they can be as relevant as possible to the decision-making process. As such, the ECA should seek to be proactive and monitor the legislative agenda so that it can be ready to respond rapidly when requested.

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

Performance auditing is a key component of auditing. It complements financial and compliance auditing, and has been increasing in importance in recent years.

Bearing in mind that public funds are always limited, we must ensure that funds are used in the best possible way to serve the EU and its citizens. Performance auditing specifically assesses economy, effectiveness and efficiency in the use of public funds: it is important to assess not only effectiveness, that is, whether the established objectives are being met, but also efficiency, that is, whether the benefits produced are being achieved at the lowest possible cost, or whether with the related costs it would not be possible to secure greater benefits for citizens.

Performance auditing has high added value and has a very positive impact on society. It helps to improve public policies and decisions, increasing their effectiveness and efficiency, and therefore contributes to the well-being of EU citizens.

In my duties at the Ministry of Finance, one of the main aspects that motivated me was helping to improve the efficiency and effectiveness of the Portuguese State and its public policies. As Minister for Finance, and before that as Secretary of State for the Budget, my priority was to assess potential effectiveness and efficiency and all the measures proposed by the different government departments that had an economic and financial impact. I also ensured that changes were made to the measures in place in order to improve their efficiency. As such, having performance audit reports, or other performance analyses, that rigorously and objectively assessed the effectiveness and efficiency of existing programmes or measures, and that had clear and feasible proposals for changes that could improve their efficiency and effectiveness, was highly useful, and often decisive.

As Director of the Research Office of the Ministry for the Economy, one of my main duties was to assess the efficiency and effectiveness of the main measures at the Ministry of the Economy, often using performance reports alongside other analyses and information sources. In addition, as professor of economics and public finance, promoting efficiency in the use of public funds has always been a central focus of my academic career and scientific research.

In my view, in assessing the economy, efficiency and effectiveness of public policies and programmes, performance audits therefore make a very significant contribution to improving the design of public policy and to helping decision-makers and officials make more informed decisions about the allocation of public funds. In addition, performance audits may include specific recommendations on how to improve the performance of programmes and measures. Finally, performance audits help to increase transparency concerning efficiency and effectiveness in the use of public funds. Performance audits therefore help to hold decision-



makers and public officials accountable, and to create a context that is more favourable to introducing reforms and changes that improve public policies and programmes.

#### **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?**

All three institutions share an objective of contributing to sound public financial management and the efficient and effective use of public funds. For that reason, enhancing cooperation between these entities is crucial to improving the efficiency of EU budget auditing.

As I mentioned in my response to question 15, the European Parliament, and the CONT in particular, should be the ECA's closest partner in fulfilling its mandate, and its main *stakeholder*. Cooperation between these entities should continue to be enhanced and improved. It is therefore essential to ensure that there is close and regular communication between both entities, including formal and informal meetings, between the members of the CONT and of the ECA. This will enable the ECA to draft reports and provide information that best reflects the CONT's needs and priorities. Enhancing communication and the exchange of ideas will help the ECA to incorporate topics into its audit work agenda that are considered the most relevant and have the greatest impact. In addition, for this information to be useful to the decision-making process of the European Parliament, it is important that it is provided in a timely manner.

I believe it is very important to continue to enhance cooperation between the ECA and the EU's Supreme Audit Institutions (SAIs). Important policies of the EU, which account for around 70% of the EU budget, are shaped on a shared basis with the Member States. This means that the SAIs, and the Member States' other audit bodies, play a crucial role in auditing the use of European funds at national level.

Bilateral cooperation between the ECA and the SAIs should be deepened by enhancing joint audits. In addition, this cooperation should also be enhanced through instruments such as training sessions, auditor exchange programmes and *peer reviews* of the ECA by other SAIs. One good example was the *peer review* of the implementation of the ECA strategy for 2018-2020, conducted by other SAIs.

At multilateral level, it is also important to boost the impact of the EU's SAI Contact Committee, and of EUROSAI and INTOSAI. This could help to align perspectives on the most relevant topics to be audited. Enhanced cooperation between the SAIs, together with information-sharing, is essential to avoiding duplication of work and to optimising resources through joint audits. It is therefore important that the audit methodology and the interpretation of the rules are harmonised among the different SAIs.

The development of the Single Audit Principle will help to increase efficiency in the use of audit resources, avoiding audit duplication and reducing the number of audits to which audited entities are subject, thus simplifying access to European funds. For the application of the Single Audit Principle, it is essential to have strong cooperation between the different audit entities. This is because the application of this principle will work well only if, as mentioned, the audit methodology and the interpretation of the rules are harmonised among the different audit entities.

#### **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?**

The existence of accurate data that is harmonised among Member States is essential to having reliable information about the implementation of the budget and the use of European funds. One of the ECA's main tasks is precisely to provide the European Parliament with reliable data and information about how the budget is being implemented.

The ECA has called attention, in its reports, to the need to improve the quality and accuracy of the data provided by Member States, including the need to improve their reporting and monitoring systems. I believe it is very important that the ECA continues, in its reports, to go further on this, and to highlight the main shortcomings and specific areas where the quality of information is not adequate.

In its work, the ECA must continue to audit the accuracy and reliability of the data provided by Member States, as provided for in the ECA's strategy for 2021-2025, including auditing the reliability of the data collection systems and their corresponding internal control systems. To this end, the ECA should make recommendations for improving the quality, reliability and ease of access to information of these systems.

Another means of assessing the quality of the information provided by Member States is by making greater use of information technologies, as also set out in the ECA's strategy for 2021-2025. Information technologies can make a very significant contribution to ensuring secure, reliable and easier access to information for audited entities. It can be expected that the ECA will enhance the use of new digital auditing instruments and techniques that allow for the automated collection and analysis of data and leverage the possibilities offered by *Big Data* and artificial intelligence. The latter is particularly relevant in the context of the technological challenges and rapid changes experienced within the EU.

**Other questions**

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

I will endeavour, in the interviews and in the responses to this questionnaire, to obtain a favourable opinion from the European Parliament, which is extremely important throughout the process. The Portuguese Government has nominated me based on my experience in the field of public finance, and after interviewing several candidates at the Portuguese Parliament. Depending on the opinion of the European Parliament, I will consult the Portuguese Government regarding my candidacy.



## INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

|   |  |
|---|--|
| <b>Date adopted</b>   | 29.11.2023   |
| <b>Result of final vote</b>                                     | + : 14<br>- : 2<br>0 : 5   |
| <b>Members present for the final vote</b>                       | Gilles Boyer, Caterina Chinnici, Ilana Cicurel, Carlos Coelho, Beatrice Covassi, Isabel García Muñoz, Monika Hohlmeier, Joachim Kuhs, Alin Mituța, Sándor Rónai, Angelika Winzig |
| <b>Substitutes present for the final vote</b>                   | Arnaud Danjean, Eider Gardiazabal Rubial, Niclas Herbst, Jozef Mihál, Mikuláš Peksa, Wolfram Pirchner, Pirkko Ruohonen-Lerner  |
| <b>Substitutes under Rule 209(7) present for the final vote</b> | Marie Dauchy, Loucas Fourlas, Margarida Marques  |