



**2019/0815(NLE)**

23.10.2019

# **DRAFT REPORT**

on the nomination of Joëlle Elvinger as a Member of the Court of Auditors  
(C9-0122/2019 – 2019/0815(NLE))

Committee on Budgetary Control

Rapporteur: Olivier Chastel

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## PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

**on the nomination of Joëlle Elvinger as a Member of the Court of Auditors  
(C9-0122/2019 – 2019/0815(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 (C9-0122/2019),
  - having regard to Rule 129 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A9-0000/2019),
- A. whereas Parliament's Committee on Budgetary Control proceeded to evaluate the credentials of the nominee, in particular in view of the requirements laid down in Article 286(1) of the Treaty on the Functioning of the European Union;
- B. whereas at its meeting of 12 November 2019 the Committee on Budgetary Control heard the Council's nominee for membership of the Court of Auditors;
1. Delivers a favourable/an unfavourable opinion on the Council's nomination of Joëlle Elvinger as a Member of the Court of Auditors;
  2. Instructs its President to forward this decision to the Council and, for information, to the Court of Auditors, the other institutions of the European Union and the audit institutions of the Member States.

## ANNEX 1: CURRICULUM VITÆ OF JOËLLE ELVINGER

### TRAINING

2019 (April – Oct.)	INSEAD International Directors Programme
June 2012	INSEAD Management Acceleration Programme
May 2008	End of legal apprenticeship exam Barrister (Luxembourg Bar)
June 2006	Trainee notary diploma
2005 – 2006	Notarial traineeship in the office of Maître Joseph Elvinger, notary in Luxembourg
May 2005	Admitted to the Luxembourg Bar
2004 – 2005	Supplementary courses in Luxembourgish law
2003 – 2004	Queen Mary University of London, United Kingdom LLM (Tax) (mark: merit)
2002 – 2003	Faculty of Law and Political Science, Aix-en-Provence Master's in Business Law (mark: good)
2001 – 2002	Faculty of Law and Political Science, Aix-en-Provence First Degree in Law
1999 – 2001	Faculty of Law and Political Science, Aix-en-Provence University diploma
1992 – 1999	Lycée de Garçons de Luxembourg Secondary school leaving exam, section D (Economics and Mathematics) (mark: very good)
1986 – 1992	Helmsange and Walferdange Primary School

### PROFESSIONAL EXPERIENCE

Since April 2009	ETUDE JOËLLE ELVINGER Barrister
November 2006 – March 2009	TURK & PRUM Law Firm, Luxembourg

April 2005  
– October 2006 LINKLATERS LOESCH, Luxembourg  
Corporate Mainstream Department

November 2003  
– June 2004 ERNST & YOUNG GLOBAL, London  
Two days per week in the  
Finance & Infrastructure Department

July 2003 LINKLATERS LOESCH, Luxembourg  
One month traineeship in the Banking Department

June 2002 – July 2002 WILDGEN & ASSOCIES, Luxembourg  
Six week summer traineeship

September 2001 Joseph ELVINGER Notary's Office, Luxembourg  
One month summer traineeship

September 2000 Joseph ELVINGER Notary's Office, Luxembourg  
One month summer traineeship

#### **OTHER ACTIVITIES**

since 2011 Cebi International S.A. – Member of the Board of Directors

since 2014 Œuvre Nationale de Secours Grande-Duchesse Charlotte –  
Member of the Board of Administrators

since 2011 CIGL Walferdange  
Member of the Board of Administrators

since 2009 Association Luxembourg Alzheimer  
Member of the Board of Administrators

since 2009 Crèche de Walferdange asbl (Beienhaischen)  
Member of the Board of Administrators  
President since 2016

#### **POLITICAL OFFICES**

since December 2013 Deputy  
Chamber of Deputies, Luxembourg

#### Parliamentary committees

Chair of the Committee on Self-Employed Professionals and Tourism  
Vice-Chair of the Committee on Economic Affairs  
Member of the Committee on Finance and the Budget  
Member of the Committee on Employment and Social Security  
Member of the Committee on Accounts

Walferdange Municipal Council (Luxembourg):

since November 2017	Member of Walferdange Municipal Council
Jan. 2016 – Nov. 2017	Mayor of Walferdange
Nov. 2011 – Jan.2016	Member of the Walferdange Municipal Executive (Alderwoman)
Nov. 2005 – Nov. 2011	Member of Walferdange Municipal Council

## **LANGUAGES**

Luxembourgish: mother tongue  
French: fluent (written and spoken)  
German: fluent (written and spoken)  
English: fluent (written and spoken)  
Italian: passable (written and spoken)

## **ANNEX 2: ANSWERS BY JOËLLE ELVINGER TO THE QUESTIONNAIRE**

1. Please list your professional experience in public finance be it in budgetary planning, budget implementation or management or budget control or auditing.

I have been a member of the Chamber of Deputies of the Grand Duchy of Luxembourg since 5 December 2013. As a deputy, I have performed the following duties:

- Member of the Committee on Finance and the Budget since 2013;
- Member of the Committee on the Monitoring of Budget Implementation from 2014 to 2016;
- Vice-Chair of the Committee on Economic Affairs since 2013;
- Member of the Committee on Accounts since 2013;
- rapporteur for the 2016 fiscal reform;
- rapporteur for the state budgetary revenue and expenditure act for the financial year 2018.

Previous to this, I was responsible for establishing and implementing the budget (and managing staff) at the Municipal Council of Walferdange, which has a population of 8 000 people. I performed the following duties:

- Alderwoman from 2011 to 2015; and
- Mayor from January 2016 to November 2017.

I am still a member of Walferdange Municipal Council and continue to keep a watching brief on its finances.

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

I began my career at Linklaters law firm in 2005; a few months later I was elected to the Walferdange Municipal Council (Luxembourg). I joined Turk & Prum law firm, Luxembourg, in November 2006. Drawing on my experience and keen to take on responsibilities, I decided to set up on my own and opened my own law firm in 2009, also in Luxembourg.

Besides my experience as a barrister (I have been a member of the Luxembourg Bar since 2005) in a range of fields (company law, labour law, civil law, commercial law, etc.), I wish to flag up the following points which have contributed to my professional development in the field of finance and financial management and control:

In 2011 during the management buy-out of the Cebi Group, I contributed actively (as a lawyer and future member of the board) to the transfer, financing and restructuring of the group;

As alderwoman (2011-2015) and then mayor of Walferdange (2016-2017) I was responsible

not only for managing the municipality's finances, but also for organising the services it provided and for managing its staff.

I was elected to the Luxembourg Chamber of Deputies in 2013.

In 2016, I was appointed rapporteur for the fiscal reform, which came into force on 1 January 2017. That reform struck a balance between tax relief for households and companies on the one hand and sustainable public finances on the other. By boosting families' purchasing power and enhancing corporate competitiveness it helped to bolster Luxembourg's economy and develop its labour market. Alongside these tax breaks for natural and legal persons, the reform also reflected the government's desire to fully align Luxembourg with international standards in fiscal matters. In line with the requirements of the revised FATF recommendations of 2012/2013 and the Fourth Anti-Money Laundering Directive, the scope of money laundering as an offence was broadened to include tax crimes. This adjustment of criminal law in tax matters was also a response to the European Commission's recommendations aimed at galvanising EU rules on combating money laundering and preventing the financing of terrorism.

I should point out that drafting a report of such import helped develop my personal horizons. Indeed, doing the preparatory work on that legislation, weighing up the opinions of the professional organisations concerned and conducting a daily dialogue with the public quickly gave me an overview of the range of challenges, demands and requirements that had to be met. I viewed this exercise as a genuine privilege, and one which reinforced my belief that the world of politics and public finances needs to be brought closer to an EU that works for its citizens.

The following year, on the strength of this experience, my colleagues in the Committee on Finance and the Budget entrusted me with the task of presenting the report on state budgetary revenue and expenditure for the financial year 2018. Again, the main challenge was how to pursue an ambitious investment policy and hence guarantee the quality of life in Luxembourg long term, without running the risk of breaking the Stability and Growth Pact criteria. While budget allocations can often prove abstract in themselves, the purposes for which they are allocated, as set out in budget headings, reflect hard and fast political commitments (infrastructure, mobility, education, sustainable development, etc.). That is why I also involved members of future generations in the process of drafting the report. The dialogue I conducted with these young people gave them an insight into the government's budget policy, and also provided them with a chance to express their views on the challenges that await in the future; that future is their future.

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

After following university law courses at Aix-en-Provence (France) and London (UK), I began my career as a lawyer with the international law firm Linklaters before joining a Luxembourgish law firm. Luxembourg is a multicultural and multilingual country. By way of example, the municipality of Walferdange, where I have been on the local council since 2005 (alderwoman and then mayor from 2011 to 2017), numbers 93 different nationalities, and 53% of the population are not native Luxembourgers. I have lived alongside them in this multicultural environment for almost 15 years.

I have also followed two executive education training courses at Insead, the international



business school based in Fontainebleau (France). Each course was attended by forty students from a range of backgrounds with whom I am still in regular contact.

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

I can state clearly that I have been granted discharge for all the private sector and not-for-profit management duties with which I have been entrusted to date.

I am not subject to such procedures in respect of my political duties.

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

Apart from the political offices which I have held at municipal and national level after being democratically elected, the only post to which I have been appointed by the government has been that of member (for the five-year term 2014 to 2019) of the board of administration of the public body 'Oeuvre Nationale de Secours Grande-Duchesse Charlotte'.

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

I could cite a number of decisions adopted by the Luxembourg Government for which the respective draft acts were drawn up by the Committee on Finance and the Budget before being voted upon in the Chamber of Deputies.

These decisions related to (1) transparency and combating tax fraud and tax evasion; (2) fiscal matters; and (3) sound public finance management:

- Combating tax fraud and tax evasion: as a Member of the House of Deputies, I had occasion to monitor very closely the efforts Luxembourg made to comply with EU requirements and align its tax conventions with (EU and OECD) international standards. The government managed to galvanise national provisions on compliance and transparency in the field of taxation by way of a cohesive set of draft acts. For example, banking secrecy was abolished in 2014, and Directive (EU) No 2016/2258 on the mandatory automatic exchange of information in the field of taxation was transposed into national law as regards cross-border arrangements subject to a DAC5 statement, as was the Anti Tax Avoidance Directive (ATAD I) which sought to combat aggressive tax planning;
- Fiscal reform of 2016: in 2016, I presented on behalf of the Committee on Finance and the Budget the report on fiscal reform which aimed to target and boost families' purchasing power and corporate competitiveness;
- 'View to the Future' package: the rolling-out of the 'View to the Future' savings package ('Zukunftspak'), adopted by the Chamber of Deputies in December 2014, reflected the Luxembourg Government's desire to streamline public finances long-term and reduce the structural deficit, and hence to ensure greater inter-generational justice. While these stringent savings measures were far from popular, it has to be said that matters have now improved and that the package was necessary and justified.

## **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?

As a Member of the Court of Auditors, I would adhere strictly to the obligation on independence, as set out in the Treaty on the Functioning of the European Union (TFUE). I undertake not to engage in any other occupation during my term of office and will fulfil my duty of integrity and discretion when it comes to engaging in professional activities after leaving office.

Should I be appointed Member of the Court of Auditors, I will not engage in any other professional activity, whether gainful or not.

I would therefore resign from the Luxembourg Bar and stop working as a lawyer.

I would also resign from all the boards of directors of which I am a member.

With reference to my membership of boards of administrators in the voluntary sector, I would be prepared to resign from my duties should the Court of Auditor’s ethics committee consider my performance of one or more of these duties to be incompatible with my duties as a Member of the Court of Auditors.

Should I be appointed Member of the Court of Auditors, I would perform my duties with integrity, impartiality, transparency and independence as stipulated in Article 286(1) of the Treaty on the Functioning of the European Union, and I would scrupulously respect the Code of Conduct for the Members of the Court. Similarly, I would refuse to take instruction from any outside source and would refrain from any activity incompatible with my prospective duties.

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?

I do not hold shares in any commercial company or in any joint stock company.

My father is the sole shareholder in the Luxembourg company Cebi International S.A. (automobile sector). I am not involved in the day-to-day running of that company.

My husband is the sole shareholder in a Luxembourg limited liability company specialising in financial consultancy. He acts as an insurance agent in managing customer portfolios and is also an outside director.

I have no conflicts of interest, but were one to arise in the future I would not participate in the decision concerned.

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

Naturally I would be fully prepared to inform the President of the Court of all my financial

interests and other commitments and to make these public.

My declaration of interests has already been posted on the website of the Chamber of Deputies, in line with its Rules of Procedure and the Code of Conduct of Members of the Luxembourg Chamber of Deputies with respect to financial interests and conflicts of interest.

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

Not, I am not involved in any 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 currently a Member of the Luxembourg Chamber of Deputies and a member of Walferdange Municipal Council.

As a deputy I am a member of the regional committee and steering committee of my party. I am also a member of the local branch of my party.

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?

Were I to be appointed a Member of the Court of Auditors, I can confirm that I would resign from the aforementioned offices, which is to say from my position as a municipal councillor and as a deputy.

I would also resign from the local branch of my 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?

Since the Court of Auditors is not vested with powers of investigation, I undertake to notify the European Anti-Fraud Office (OLAF) of any cases of fraud and/or corruption so that it could then open an investigation.

Needless to say, I would follow the same rules regardless of the person or the Member State involved.

### **Performance of duties**

14. What should be the main features of a sound financial management culture in any public service? How could the ECA help to enforce it?

The principle of legality in the management of public finances must be respected in all circumstances. However, compliance with the law and regulations is not in itself a guarantee of efficient resource management. This means that ensuring sound financial management is extremely important in any public administration and makes it a prerequisite for ensuring that the public enjoy a high standard of public service.

Sound financial management chimes with public service dedication at all levels to ensure a sound, prudent and responsible use of public monies with the emphasis on the three 'e's': effectiveness, efficiency and economy

To my mind, the main characteristics of sound financial management applicable to all levels are:

- clear and clearly communicated organisational values and strategic objectives in pursuit of sound financial management;
- a governance structure designed to fulfil public service objectives;
- a pre-established performance management framework: setting of specific, clear and achievable targets (in all the sectors of activity covered by the budget), backed by continuous monitoring and assessment by means of pre-established indicators (setting of performance indicators);
- an effective internal control system;
- an operational information management system;
- publicity and transparency of financial activities throughout the (national and local) public administration; and
- a clear allocation of responsibilities.

The Court of Auditors can help develop just such a culture of sound financial management by conducting audits that reflect the criteria set out above, since it is by applying these criteria that risks and weaknesses can be identified and the Court can make recommendations.

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?

Good cooperation between the European Parliament and the Court of Auditors is essential to ensuring effective monitoring of EU budgetary implementation. What is more, the close cooperation launched some years ago which sees the European Parliament involved at a very early stage in the drawing-up of work programmes has enabled the Court of Auditors to furnish products tailored to the needs of the Members of the European Parliament. The follow-up the European Parliament gives to the reports published by the Court of Auditors amplifies the impact which they have.

Were I to be appointed Member of the Court of Auditors, I would place myself entirely at the disposal of the European Parliament, and particularly of the Committee on Budgetary Control to discuss, within a bilateral exchange framework, any topics of interest to Members of the European Parliament or the Committee, and I would be on hand to offer expert advice if needed.

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

Compliance audits, financial audits and performance audits complement one another. While compliance auditing assesses whether activities and programmes have been conducted in accordance with the applicable legal and regulatory provisions, performance auditing focuses on activities and programmes in terms of whether they have been implemented optimally and in line with the three 'e's: effectiveness, efficiency and economy.

Compliance with the rules provides no guarantee in itself that funds have actually been used effectively for their stated purposes and to the benefit of EU citizens, not least in the context of performance orientation, which is becoming an increasingly important consideration in the EU budget. Performance auditing therefore allows an independent assessment to be made as to how well the subject of the audit (activity, programme or entity) has been managed and the added value it contributes to the EU and hence to its citizens, and examines whether that subject has achieved the stated objectives (efficacy) efficiently and economically by utilising a minimum of resources to achieve maximum impact.

In my opinion, the performance audit:

- helps instil responsibility among those who manage funding (greater transparency as to how the resources allocated are used) thanks to an independent assessment;
- makes a substantial contribution to the European Parliament and Council decision-making process when it comes to discharge and when reviewing regulations;
- enhances future performance by helping to identify the fields in which the 3 'e's can be improved and to make recommendations on possible improvements.

The last point is very important as the performance audit not only detects weaknesses but also seeks to offer recommendations to managers in order to correct those weaknesses, resolve problems, improve management and highlight good practices.

Those managers are responsible for remedying the weaknesses identified and acting on the recommendations made. In order to ensure that the recommendations made have been fully understood and accepted as widely as possible by managers, which will ensure they are subsequently acted upon effectively, it is essential that a constant dialogue should be maintained between those involved, and this throughout the audit:

- validation procedures and the bilateral discussion procedure provide a forum for discussing audit conclusions and recommendations with the bodies audited;
- presenting those conclusions and recommendations to the European Parliament helps amplify their impact;
- by following up on responses to recommendations, auditors can assess the extent to which these have been acted upon by managers.

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?

National audit institutions are the natural partners of the Court of Auditors. It follows that good cooperation between these institutions benefits everyone involved. The national audit

institutions are familiar with the procedures in the Member States and are aware of the weaknesses therein. They know how they can be improved and how to go about doing this. In an EU context, with 80% of the budget managed jointly, that in-depth knowledge and expertise of the national audit institutions should be used to the benefit of all stakeholders. Article 287(3) TFEU also highlights the importance of that cooperation. It states that where an audit is conducted in one of the Member States: ‘The Court of Auditors and the national audit bodies of the Member States shall cooperate in a spirit of trust while maintaining their independence.’ This emphasises one of the challenges involved in close cooperation between the Court of Auditors and the national audit institutions – namely that of the independence of their work, which is a key characteristic of audit institutions.

Steps have already been taken to establish good working relations between the Court of Auditors and the national audit institutions:

- The heads of the national audit institutions and the Court of Auditors meet annually in the contact committee to discuss matters of common interest. On top of this, the liaison officers for the audit institution meet regularly to prepare the meetings between the heads of their institutions and the contact committee and to set up working groups to discuss special topics;
- I also understand that on the basis of Article 287 TFEU, representatives of the national audit bodies of the Member State in which the audit is being conducted are invited to accompany the auditors from the European Court of Auditors during those audits.

I would like to make four suggestions for further improving the relations between the European Court of Auditors and the national audit institutions:

- setting up regular working groups designed to share best practices at various levels would help to improve current audit procedures and applied methodologies and to develop good practices, with a view to achieving a better product of benefit to all stakeholders;
- ensuring more effective communication of audit planning information would help improve the coordination of audit activities;
- sharing audit findings on a common research platform would allow auditors to access previous audit findings relating to their audits; and
- possibilities for joint training courses could be pinpointed.

Should I be appointed Member of the Court of Auditors, I would support every measure designed to enhance cooperation and build constructive dialogue between the European Parliament, the supreme audit institutions and the Court of Auditors, so as to consolidate oversight of the implementation of the EU budget.

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 performance and results orientation of the EU budget is now a key issue, making it essential for the European Parliament, and hence the European Court of Auditors, to be

provided with reliable, accurate and comprehensive data so that such matters can be assessed effectively and informed decisions taken.

The Court of Auditors should flag up more clearly any quality problems it identifies during its audits and make recommendations aimed at remedying the weaknesses identified.

The Court of Auditors could also conduct specific audits across a range of policy areas to assess the quality of data and pinpoint any weaknesses more effectively.

**Other questions**

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

It is of utmost importance for the European Parliament's Committee on Budgetary Control to have confidence in the Members of the Court of Auditors if the Court is to function as it should.

If the European Parliament's opinion on my appointment were unfavourable then I would ask the Luxembourg Government to reconsider my nomination.