The making of

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Perhaps the ECA is still best known as the ‘Guardian of the EU finances.’ But auditing in the public sector is not just about money. Most people would assess the value added of EU policies and programmes by asking: did it work or not? So does the ECA. That is why it increasingly focus its audit work on performance.

In the 30 or so special reports looking at performance issues every year, the ECA provides information to assess the effectiveness and efficiency of EU legislation and spending. The nuances may differ, because the situation is hardly ever as clear-cut as we sometimes might like when it comes to the seemingly simple question ‘Did it work or not?’ The ECA produces and publishes all its reports to help decision makers in the European Parliament, Council, Commission, national parliamentarians and government authorities in making the best possible policy choices. The ECA is well-placed to do so, and not only because of its specific rights of access to information: it has no political agenda and is completely independent. For the purpose of accountability and a learning government.

The ECA also reaches out beyond decision makers. It selects its audit topics and writes its performance reports with the EU citizen very much in mind as well. With growing scepticism towards government, it is important for citizens to know more about the performance of public policy. After all, the best personal motivation to continue is whether you are making a difference or not. Whether what you are doing is useful or interesting for others is a key element in self-appreciation and appreciation by others.

This works at the personal, organisational and even societal level. Also for auditors! I saw a news item on Dutch national television earlier this month where some chairs of municipal audit offices resigned because, as one of them said, his reports did not receive public scrutiny at municipal level and there had been no follow-up whatsoever on the recommendations made. So, he asked, what was the purpose of continuing?

Purpose and result are key issues when it comes to public trust in the EU. The main driver is: does EU programmes and policies make a difference? Does it add value for the public good? A purpose I still like to believe is shared by most people, even if differences of opinion often occur on how to realise it. ECA special reports directly concern the quality and impact of public goods delivered at EU level.

These reports are not written overnight. We have made these special reports on performance issues the special theme of this edition of the ECA Journal to give you a better idea how they are made and used. We zoom in on two special reports published in 2017, covering their life cycle, like the audit work as such, the drafting, translation and production of our reports, the communication activities around publication day, the discussion of their contents by stakeholders and sharing audit experiences with peers.

The last article in this Journal related to our special theme concerns the follow up of ECA’s recommendations. Fortunately, our President Klaus-Heiner Lehne does not have the same worries as some of his local Dutch counterparts: over 80% of the ECA recommendations made on performance issues have been followed up. Making a difference and giving us the confidence to continue auditing performance in the EU.
ECA special reports: ‘Addressing issues that matter for EU citizens’

Interview with Janusz Wojciechowski, ECA Member

By Gaston Moonen, Directorate of the Presidency

Since he joined the ECA in 2016, Janusz Wojciechowski has been Member-rapporteur for several ECA reports, particularly related to agricultural issues and performance of public policy has been close to his heart, also in his previous functions. What does he consider crucial and perhaps even typical for ECA special reports and, zooming in on Special Report 10/17 regarding young farmers, what has been the scope of this performance report, its findings and how was it received by others? Janusz Wojciechowski tells about how he reaches out.

Broadening the horizon on performance

ECA Member Janusz Wojciechowski is clearly not only interested in following the money: ‘When we choose audit topics our main concern is not only protecting the budgetary interests but also protecting EU citizens’ concerns. We are the advocate for the people, not for specific financial interests or for the mere benefit of EU institutions.’ He considers this element important, both when selecting audit topics and presenting them to the outside world. ‘It is important to make clear to citizens that we conduct audits that may have relatively little financial importance but a huge impact on people’s lives. Currently I am the reporting Member for an audit on air quality and one on food safety: low budgets but highly relevant for EU citizens. I believe this is the right direction for the ECA to take. When I was President of the national audit office in Poland, the NIK, I followed the same basic principle: to protect the interests of the people, not only of the budget.’ He adds that the focus of the ECA into this direction, as ECA President Lehne has also presented in the ECA strategy, has his full support.
Janusz Wojciechowski was not new in the world of audit when he became ECA Member in May 2016. He has been a judge in several courts in Poland, Under-Secretary of State, President of the Polish NIK and Member of Parliament. And before joining the ECA he was a Member of the European Parliament for 12 years. This variety of experiences and eye for citizens’ interests, surfaces several times during our conversation about ECA special reports in general and Special Report 10/2017 on Young Farmers in particular. Janusz Wojciechowski was the reporting Member for that report, guiding the audit internally through the ECA and presenting it to stakeholders at various occasions.

Besides presenting reports that really address citizens’ concerns, he believes that the timing of reports is crucial to have impact: ‘With our recently published reports on agriculture we are well in time as we are at the beginning of the political debate of the future of the Multiannual Financial Framework (MFF) and the new Common Agricultural Policy (CAP). As ECA we are well-placed to contribute to the discussion of the CAP policy reform and, through our reports, we put pressure on the European Commission to provide better legislative proposals. Based on our audit facts we are able to provide independent information that enables members of parliament, be it at national or EU level, to make well-informed decisions and put political pressure on the Commission.’ He considers that with the new MFF ahead of us this is the best time to present reports.

Janusz Wojciechowski thinks the variety of the topics covered in ECA special reports is very wide: ‘The topics regarding sustainable use of natural resources, covered by the audit chamber I am in, already range from basic payments schemes for farmers, to the greening of the Common Agricultural Policy, to the audit on air quality I am leading now. And for other policy areas the picture is the same.’ He then adds: ‘When I presented the ECA Annual Report 2016 in the Polish parliament last year I also presented an overview of the recent reports we published and which could be interesting for the Members of Parliament. Their reaction was positive, but also telling when they said: ‘We did not know the ECA produces such interesting reports.’ So it is important to do more to promote our reports to stakeholders.’

The ECA Member feels the ECA has an active role to play when it comes to promoting ECA reports to increase their impact: ‘For our auditees our reports are like going to the doctor: you investigate the patient - audit findings. Then we give a proper diagnosis – the conclusions in our reports. We propose the therapy through our recommendations. But we should also encourage patients to use this therapy.’ For him as reporting Member the publication of a special report is not the end of a cycle, but merely one milestone between the actual audit work and the important task of presenting the results to institutions, media, non-institutional stakeholders and the auditee. ‘For me as ECA Member the publication is not the end, the next step is to promote for the highest impact of the report.’

**Young Farmers report as example**

Although Janusz Wojciechowski desired to become the reporting Member for Special Report 10/17 on young farmers, his appointment was also a coincidence. ‘I was very interested in the subject as such because, as a former MEP, it was obvious for me that the issue is an important and sensitive topic. The Young Farmers programme has been discussed in the EP Committee on Agriculture and the question was often which model was better to achieve the policy objective of generational renewal in agriculture. As member of the parliament of Poland I had received many
Interview with Janusz Wojciechowski, ECA Member

continued

This audit [...] showed that generational renewal is failing.

I remember it was very quiet, almost like in a shock, when I informed them [EP Agri Committee] that we lose one thousand farms per day.

complaints from farmers that the scheme was too restrictive, at least in Poland.' He explains that the audit proposal had already been well prepared by his colleague Bettina Jakobsen when he was appointed as ECA Member. In his view an important ingredient for a successful audit. 'So when the occasion arose that I could become rapporteur for this audit I was rather pleased with the opportunity to see whether the complaints I had heard from farmers were correct or not and whether the model is functioning.' He underlines that the report is not about finding out about wrongdoings of farmers, but about checking whether the programmes reach their goals: 'The objective of the programme is to promote generational renewal, to improve the age structure among farmers. Our main aim was to examine whether this goal was achieved or not. Unfortunately our report shows that it was not.' For Janusz Wojciechowski the report fits well in the range of about 30 performance reports the ECA produces annually: 'This audit was mainly a performance report. It showed that generational renewal is failing. For me one of the most striking elements we presented was the information that in the last decade in the EU, we lost 4 million farms, one third of young farmers. The young farmers population was reduced from 3,3 million to 2,3 million, so 1 million less than a decade ago. This decrease is also reflected in the total number of farmers: we had 14,5 million farmers, and nine years later only 10,5 million farmers remained.' He tells vividly about his experience in the EP Agri Committee: 'I remember it was very quiet, almost like in a shock, when I informed them that we lose one thousand farms per day.'

For Janusz Wojciechowski an important question is how long this can continue? 'One of the MEPs said that it is not a problem since it might mean that we have bigger and stronger farms. But I am not sure that is correct, since bigger is not necessarily better. In the European Union, organic, more ecological farming is increasing in importance to compete for the quality of food, and not necessarily the quantity.' He underlines another important element to this topic: '31 % of the farmers in the EU are older than 65 years. In a Member State like Portugal, this figure is even over 50 % and the situation differs considerably per Member State, for which we give details in an annex to the report. An important conclusion in our report is that the Common Agricultural Policy should be more flexible and better targeted, taking into account the different situation per Member State. When I said this in the European Parliament, it overall met agreements from the MEPs. Hopefully our report contributes to the understanding that the EU's agricultural policy requires reforms towards generational renewal and sustainable farming and one can be in line with the other.'

Janusz Wojciechowski gives a concrete example of why the programme for generational renewal was not successful. 'In Poland a farmer had 513 hectares of land and he was receiving around 100 000 euro of EU direct payments every year and generating a net profit of around 150 000 euro (equal to 15 times the average GDP per capita in Poland) in the three years before applying for the additional payment of 3000 euro for young farmers. Therefore, he had no financial challenges and was already running a viable holding before obtaining the payment for young farmers. Such an additional amount is too low to have an impact for him to remain farmer, to stimulate his generation to continue farming.' He gives another example: 'In Italy a company of farmers received money from the Young Farmers programme because one of the partners, with a 16 % share of this company, was young. Although he did not work in this farm and never intended to do so, they received the subsidy. In my view, and not only mine, only active farmers should receive such support. Then there is the problem of what I call...
‘land grabbing’ in which agricultural land is used for other purposes than farming. In our Special Report 21/2017 on the greening of the CAP, as was presented last December by my colleague Samo Jereb, we show that less and less land is used for farming.

As to possible solutions, Janusz Wojciechowski points to solutions that have proven to be effective in some Member States. ‘Generational renewal in Poland has slightly improved during the last decade. However, in my opinion, the reason for that was that old farmers, who had no right to a national pension yet, could benefit from an EU transition scheme, provided they would transfer their farm to a young farmer. This enabled the young farmers to live on a farm income instead of waiting until the old farmer would retire.’ He believes in combining different policies – perhaps including methods used in the cohesion area.

Reception of a report is crucial

Janusz Wojciechowski thinks the way the Young Farmers audit was executed is representative for the ECA’s performance audits. ‘The audit proposal was meticulously well prepared, we visited Member States which received a lot of funds from the scheme, and the audit programme was well thought out. Moreover, I can compare with my experience in the Polish national audit office. With this report we produced results, hopefully with impact. We show that European agriculture, from the perspective of generational renewal, is not in good shape.’ He finds it also encouraging that the European Commission generally agreed with the conclusions and recommendations presented in the report.

He was particularly happy to see the interest of the EP’s Agri Committee in the report. ‘Over 20 MEPs participated in the discussion, and I was particularly pleased that they received the report not as criticism towards how the farmers dealt with EU funds, but as a serious signal that there is a significant problem for EU agriculture for the long term. European agriculture needs support to encourage people to be farmers and a system change is needed to find better approaches for this.’ He points out that, unlike the current practice where all reports are presented first to the Budget and Control Committee (CONT) and then in the specialised committee, for this report it was done the other way around. He adds: ‘As ECA we try to provide politicians with the best possible factual information to take their decisions. As former MEP, I consider our improved relations with the specialised EP committees as very positive and I fully supports our President’s efforts to that extent. Promoting visibility of our reports and showing their relevance at the political level will improve the impact of our work.’

Janusz Wojciechowski also presented the report on young farmers at national level: ‘I presented it to the Agriculture Committee and to the Committee of European Affairs of the Polish parliament, and met great interest in the topic and perspectives for future solutions. In addition to this, I was invited to another national parliament, the Irish parliament, a novelty for me at least. There, last January, together with my colleague Kevin Cardiff, his recent successor Tony Murphy – then still in his capacity as ECA director, and ECA director Peter Welch I presented our report on young farmers and Special Report 16/2017 on rural development programming to two committees of the Irish Parliament. Our discussions with Irish parliamentarians lasted two hours.’ With a smile he adds: ‘Kevin Cardiff told me later that it was for the first time in the history of these two
committees that they had such a long discussion with Members of an audit institution. Janusz Wojciechowski hopes that by presenting the report to national parliamentarians the political pressure in Member States, and thereby in the Council, will increase to find a solution for the next MFF.

Another element that surfaces during the interview was bringing ECA reports to non-institutional stakeholders, like think tanks or national farmers’ organisations. He refers to the public hearing organised by the EP Agri Committee in Brussels in November 2017, with representatives of young farmers, including of the European Council for Young Farmers (CEJA). ‘Sometimes stakeholders are against ECA recommendations, but this was certainly not the case regarding this report. They were actually thankful for the data we collected, our diagnosis and our recommendations. What certainly helped was that we held the set-up of system responsible for the ineffectiveness we found and not the farmers.’

Janusz Wojciechowski brings up another stakeholders’ meeting he organised: ‘A very successful presentation towards stakeholders was the one we did regarding our Special Report 8/2017 on EU fisheries controls. It was surprising for me to see how many representatives of fisheries organisations attended. He found even more interesting to hear the approval they expressed for the main conclusion in this report, which is the need for more restrictive controls. ‘These organisations are interested to have a fair competition and for this they also wish the same level playing field. I hope this interest will push for the changes we recommend.’

Long-term perspectives and trust in the EU

Janusz Wojciechowski does not have to think long about the question what impact special reports can have: ‘When I presented our report on young farmers to the EP AGRI Committee I said we need a long term vision for European agriculture. Not only for the upcoming MFF but also for the next one. We do not need a vision for just 7 years but one for, say, 27 years: what kind of agriculture do we aim for in the EU with regards to sustainability, types of farms, types of production?’ He believes that this call was very well received by the MEPs. ‘We need a long-term vision for agriculture because the challenge of a safe and sustainable food supply is something for generations, not for seven year framework programmes.’ In his view, the same logic applies for other topics he is working on, like air quality, food safety, cross border health care. Although now perhaps immaterial from a budgetary perspective, they are material in perception by the EU citizen. ‘These policy areas are very important for the citizens’ confidence in the Union. And the ECA can contribute to this confidence by helping EU institutions to deliver tangible improvements, contrary to the bureaucratic image they sometimes may have.’

Janusz Wojciechowski concludes that the ECA has delivered concrete input for the debate on the future of the CAP after 2020. ‘With reports on the Land Parcel System, the greening of the CAP, the Basic Payment Scheme, rural development programming, young farmers, but also with our upcoming briefing paper with general remarks for the new CAP, which will be published in March.’ He clearly looks forward to presenting the other reports he touched upon before, which he believes are just as relevant for enhancing trust into what the EU stands for: ‘Our report on animal welfare is foreseen to be published in November 2018. It is an important topic that people can easily relate to. The audit is going well and we will have several interesting findings to report.’
Making a performance audit report: insights from audit team leaders

Interview with Afonso Malheiro and Lorenzo Pirelli, heads of task in the ECA

What is performance?

When speaking with Afonso Malheiro and Lorenzo Pirelli, two team leaders - in the ECA called ‘head of task’ - for performance audits which resulted in reports published in 2017, the conversation quickly goes to a fundamental question: what is performance? As external auditor do you need to check what have been the effects for EU citizens? Or is it more looking at processes and whether they were correctly applied, or weighting whether it was the right instrument to achieve something, so including the suitability element? For Lorenzo the ultimate aim of a performance EU action is in the end to produce an outcome for the benefit of citizens. ‘But not all EU action is at a stage at which results can already be assessed. That is why in some audits we sometimes focus on policy or programme design or implementation, instead of zooming in on tangible impact.’ He adds that this sometimes means you look more at processes than at concrete impact. Lorenzo: ‘It depends very much from sector to sector. For example for transport the output can be very tangible: number of passengers, number of containers, traffic. But some fields it can be more difficult, like research, rural development or external relations where the output is sometimes untangible and also dependent on many factors outside of the control of the managers, be it at Member State or Commission level. And difficult to measure.’ Both Lorenzo and Afonso agree that all this makes it much more difficult to establish a direct link between the EU funding and the results.

Becoming a head of task

Afonso has joined the ECA in 2003. Before becoming head of task he has worked for 8 years as auditor in the area of sustainable development and use of natural resources, mostly on compliance issues. He changed to auditing the cohesion area in 2012, and specialised in performance audits. In 2015 he became head of task for the performance audit on the Single European Sky, which led to Special Report 18/2017 published in November 2017. He continued to work on this subject as head of task for
the audit on the Single European Sky Air Traffic Management Research (SESAR) deployment. The currently on-going performance audit focuses on the extent to which innovative technologies have contributed to a better traffic management in sky and at airports. The report is due in early 2019. Nice touch in all this is that Afonso is a pilot himself, be it as a hobby. He adds, smiling: ‘This particularly helps me to understand many of the abbreviations regularly used in the area of aviation.’

Lorenzo joined the ECA as auditor in 2010, where he started working in audits on transport and energy. Four years ago he changed to auditing the sustainable use of natural resources. ‘Since I joined the ECA I have always worked in performance audits, with topics ranging from airports to energy efficiency.’ In 2016 he became head of task for the performance audit on the EU scheme for young farmers, which resulted in Special Report 10/2017, published in June 2017. Currently Lorenzo works on an audit on research programmes regarding climate change. Lorenzo likes to write scientific papers, using his background in management and industrial engineering, including a PhD in the latter area. He also acts as a trainer on performance auditing for the European Institute of Public Administration and universities and other organisations.

Both Afonso and Lorenzo taken over the responsibility for their task after after the initial audit design phase. Afonso: ‘I started from the audit idea, which we call here the ‘Proposed Audit Task’ (or PAT), which was a two to three page document describing the audit area and possible audit questions. Together with my team, I developed it into an comprehensive audit proposal, a stage which involves already a lot of preparation and research of the topic. In our audit chamber, for the transport area, we have created a so-called ‘knowledge node’ and all auditors who have worked in the area during the past few years are called to produce ideas from their experience.’ Similarly, for the report on young farmers, Lorenzo was not involved in the task inception. He explains: ‘The argument to do this audit was after a renewed review of this area, plus specific interest expressed in the topic by members of the European Parliament.’ Both Afonso and Lorenzo indicate that it is rather common that you have a different head of task, or other team members than the one who brought up the idea for the audit topic. Afonso: ‘You are then requested to develop the initial idea into an audit proposal.’

Complex yet interesting

The diversity of topics in performance audits makes the role of head of task complex but also interesting. Afonso: ‘You do not have one performance audit equal to another. It is always a challenge – and that in a positive sense - for us as auditors to build an audit that specifically addresses the risks and complexities of that area. You have to use the traditional tools and processes and adapt them to the specific area you are looking at.’ He also thinks that the importance of performance audits cannot be overstated: ‘You can have a wonderful set-up of rules that are being complied with by all actors involved. But you still might find only limited benefits to EU citizens or the addressees of the policy.’ Lorenzo adds: ‘In the end what counts is whether policy objectives have been achieved, not how many directives have been issued.’

Afonso and Lorenzo underline that it is important to build up a knowledge of the subject area. Afonso: ‘If not you will risk only to scratch the surface and not the real issues.’ Lorenzo points out that for performance audits the related audit manual sets out the general framework. ‘But you also want to have people with some experience in doing this kind of work.’ Both agree that a profound...
preparation period is crucial to get to grips with the specific elements of the subject, identify the audit risks and audit questions. Afonso: ‘In some area there may be many actors and little data available. For the audit on Single European Sky there was at least an abundant amount of statistical information. And the objectives in this area have been rather well defined and even quantified. This helps a lot.’

**Benchmarking**

One of the ways to fast track obtaining knowledge and experience is to benchmark EU programmes with similar programmes elsewhere. After all, the types of issues the EU has to deal with are not always unique and occurring also in other regions in the world. Afonso went with his team to the USA to benchmark the EU programme for the Single European Sky with the US proponent, called NextGen. ‘The colleagues in the US have teams doing often focused audits, one after the other. This differs a bit from our approach. Nevertheless, sharing experiences and expertise allowed us to quickly get new insights and enabled us to jump to the deeper questions.’ He adds that with the sequential audits done by the US colleagues they were able to preserve a high level of expertise. At the ECA this is more challenging, and in particular as regards ‘niche areas’ where performance audits are carried out only from time to time.

Lorenzo underlines the usefulness of benchmarking: ‘If you benchmark, reflecting a business reality elsewhere, it will also help for the auditee to accept the findings.’ He underlines that ideally you want to let benchmark feed in on audit criteria before the audit starts, since that helps to accept the findings: ‘Pin the auditee down on audit criteria before doing the audit. This is what we tried for our audit on airports, published as Special Report 21/2014.’ Afonso points out that through benchmarking sometimes issues surface very quickly. ‘We saw that air traffic controllers in the US are a lot more productive: they handle a lot more traffic than their counterparts in Europe.’

**Timeline of a performance audit**

What are the important elements to get an audit going and keep it going? Afonso: ‘The stage of planning is fundamental. If you make mistakes in identifying the key issues and risks that can influence the audit substantially. So this can take some time, depending on the complexity of the subject. One of the aspects he highlights is the importance of diversification in the team: ‘You need a good mixture of colleagues with analytical skills, more creative colleagues, just to have different perspectives on the same topic.’ Lorenzo concurs and adds that diversity might be a challenge to manage but it is good to have. He says: ‘You need it because you will face diversity elements anyway: when a draft report will be reviewed, but also after the publication. So the fact of having diversity in the team from the beginning exposes you earlier to diversity of opinions later on.’

After the audit proposal is accepted by the audit chamber the execution phase starts. Afonso and Lorenzo explain that this generally entails visiting selected large number of organisations and meeting many people: at the Commission, national administrations in Member States or third countries, beneficiaries, industry organisations, NGOs, academics and researchers and possibly others. Afonso smiles: ‘This is the exciting part of the audit, with very interesting discussions. Often highly rewarding.’
How do the heads of task deal with the load of audit information that they receive during the execution phase? What guidelines do they use to select? Afonso explains: ‘If you have done a proper planning you have identified the key risks and discarded the lesser one. Normally you have drawn up your audit questions accordingly and created an audit programme that will guide the audit team into a specific direction. Of course piles of documents are often received but it is in the end about answering the questions.’ But what about issues that pop up and were not foreseen? Lorenzo: ‘Of course you design a structure but with some flexibility. Reality might be different and you have to allow sometimes things to be dug out. Important will be to find commonalities between Member States, between areas.’ He continues saying that you might find recurrent messages, whether you have planned them in advance or not. Lorenzo: ‘What is important is to exclude outliers. In the end you try to find something which is representative at Union level, and not necessarily only findings which pertain to a specific Member State or region.’

Time wise the ECA aims to limit the time between the adoption by the audit chamber of the comprehensive audit proposal and the report to 13 months. Both Lorenzo and Afonso do not perceive this to be a major constraint. Afonso: ‘We have to deliver quality products, whatever we do. And time is an element of quality, our reports need to arrive timely. Publishing a report two or three years after the birth of an audit idea risks to be irrelevant because the world has changed. Quite likely so in the world of aviation.’ Lorenzo adds: ‘To cover a whole area you need to develop a long-term strategy – we also call this a pipeline approach. This refers to a sequence of audits which are linked to each other. This helps to build up knowledge and to reduce the time needed to carry out another audit.’ Both find that a very time consuming part is the so-called clearance procedure: having the findings confirmed by the auditee, if additional evidence is provided, modified or dropped. Lorenzo: ‘This is part of the standard audit procedures but consumes a lot of time. But if you wait too long the risk increases that findings and recommendations become outdated.’

Report drafting

One of the prime responsibilities of a head of task, besides the planning of an audit, the monitoring and supervision of the audit work or being the audit team’s face in the contact with the auditee, is the drafting of the report.

Afonso notes: ‘Drafting the report is a process that takes time since we often have to strike a balance between a highly technical report for experts or a report that can be understood by the wider public, including the lawmakers. Finding this balance is important so that we can indeed have an impact, which is the ultimate objective of a performance audit.’ Afonso underlines that many of the issues addressed in ECA performance reports touch upon political elements. This also needs to be reflected in the drafting style. He gives an example: ‘The idea of a Single European Sky relates to sovereignty issues. It therefore appeals to other political levels than purely the ones who deal with traffic management. Therefore you have to try to write a report that in its messages is convincing enough to demonstrate the point to those actors in the various Member States that do not have this expertise but do influence the law making at the levels of the parliament and the Council, for example.’ Lorenzo adds: ‘What you write normally comes out in the report, so that gives your input more visibility. But also more accountability.'
Both Afonso and Lorenzo find that the ECA reports have to use a style and language that show the big picture and translate issues of a technical nature into need for action in certain areas. Lorenzo adds: ‘But there must be a balance between the two. If you stay with just high level messages you may then not produce recommendations that would have a meaningful impact at the level of operations, which you try to help as well.’ Afonso and Lorenzo indicate that once drafted the draft report is then subject to filters and reviews: principal manager, director, Member, Chamber, and externally through the adversarial procedure done with the Commission on the report.

**After publication**

What about the heads of task’s involvement after the publication of a report? Lorenzo: ‘Officially our task ends with the presentation to European Parliament and Council committees at working level. But it depends also on the interest shown in the report, the role the reporting Member wants you to play in his or her activities to disseminate the report to the outside world.’ He indicates that Janusz Wojciechowski, the reporting Member for the report on young farmers, was quite active in presenting the report in Member States. Lorenzo considers that presenting the report after its publication should be done as much as possible. When asked when their last activities, related to the reports on young farmers and the Single European Sky, occurred, Afonso says: ‘On 5 March 2018 we presented the report was presented to the European Parliament’s Committee on Transport and Tourism. Earlier, at a meeting of the Council’s Aviation Working Party, we received an invitation for presenting the report findings at a conference with national authorities active in this area.’ Lorenzo mentions a conference on young farmers at the end of January 2018 and smiles: ‘Half a year after publication the contents of the report is still pertinent…and used.’

Both Afonso and Lorenzo believe that from one audit you can derive different products. Lorenzo: ‘Think about a short memo for the press, even customized per country, depending also which media is targeted. Most often media are interested in news that applies to their country. Do not forget, almost 80% of the budget executed at Member State level. And when you go to a technical conference you can provide more technical findings and messages. When you go to the European Parliament it might not always be useful to present a thick report.’ Afonso makes an analogy with the Commission: ‘They make several communications on a specific area, diversifying the details in the messages. Their staff working papers often have a much more technical content.’

**Road to a successful performance audit?**

When asked about what they would consider as the three key elements to deliver a successful performance audit the two heads of task quickly agree. Afonso: Firstly, preparation is fundamental to acquire a robust understanding of the topic and the issues at stake. Secondly, good planning, thereby asking the right questions and do not try to reach out for the moon. As third element I would say: focus on three key messages, avoiding a wide range of small messages that will distract the reader.’ Lorenzo adds: ‘Three is a magic number for recommendations. And I would keep in mind the 80/20 rule: with 20% of the text you can often tell 80% of the story.’
Guidance and coaching of audit teams through an tailor-made approach

Between them, Helder and Pietro share more than four decades of audit experience at the European Court of Auditors (ECA). Both have worked in several ECA departments where they carried out audits of various EU policy areas, both as auditors and as managers. Helder’s current focus is on Agriculture, while Pietro’s audit area is now mostly Transport. Enough experience to transfer information on what their responsibilities and challenges are and where their contribution can make a difference.

Every step of the way

A principal manager at the ECA is involved in all phases of the audit process. From the initial audit idea, preparatory studies, the planning of the individual audit tasks and the audit visits to the Member States. Via the presentation of the preliminary observations, the drafting of several draft versions of a report, and the discussions of findings with the auditee. To the publication of the final report, presentations of the conclusions and recommendations in the European Parliament, and other activities to engage with institutional and non-institutional stakeholders.

Helder smiles when he says: ‘This is the environment we work in and the milestones we need to meet when we carry out an audit’. Adding to this, Pietro explains: ‘PM’s are closely involved from the beginning of the process, from the conception of audit ideas. They assess the policy area, and also look

Interview with Pietro Puricella and Helder Faria Viegas, Principal Managers

By Derek Meijers, Directorate of the Presidency

The brunt of performance audit work in the ECA is done by the audit teams. Each team has a so-called principal manager (PM) to provide guidance and advice. To get an idea what they actually do and how they do it we interviewed two of the 17 managers who fulfil this role in ECA performance audits: Helder Faria Viegas and Pietro Puricella. How do they contribute to the audit process, particularly also to the making of Special Reports 10/2017 on Young Farmers and 18/2017 on the Single European Sky?
at the work of other audit institutions, both inside and outside of the EU.’ After such a benchmarking exercise of the ECA’s recent and not so recent work, the PMs propose audits that can be included in the annual work programme.

However, the precise responsibilities of a PM during an audit often differ depending on the audit task, his own experience or that of the task leader, the size of the audit team, but also on the preferences of the reporting Member. Helder: ‘Some PMs will have more of an advisory role, while others are more involved in the day-to-day management of the tasks.’ Both find that, in general, the PM is a facilitator who ensures clear communication and the smooth running of the audit process.

Helder finds that ‘most of the time the PM monitors the progress of an audit from a distance, liaises with the Member and reports to him on a monthly basis if milestones and targets are achieved. He adds that ‘First time, or junior task leaders can rely on their PM as a mentor who coaches them and keeps an eye on the planning. Pietro smiles when saying that he sometimes needs to complement the more optimistic view of more junior colleagues who might underestimate the time a technical exchange of views with the auditee takes.’ This we do based on our experience.’

Aiming for delivering added value

For every audit Pietro takes on, he follows a clear approach: ‘My point of departure is the question: where can I add value? To answer this, you need to start with the selection of the audit team, decide who is most suitable to lead the task and how an auditor’s skills complement those of the other team members. In combination with the requirements of the responsible Members, these elements give a good impression of what might be expected from a PM during a specific audit.’ Helder explains the benefit of that approach: ‘This brings you into a position in which you have more of a bird’s-eye view on your resources and the possible risks, and helps you to assess better which steps should be taken.’ This also means the PM should not be a micro manager, as Pietro comments: ‘I need to stay at the higher level to make sure the audit keeps moving in the right direction, thus making sure we will reach the desired destination.’ Normally a PM will not intervene in day-to-day decision making, unless there is a problem to solve. Helder: ‘It is important that the task leader has the autonomy to decide which route will be taken to reach that destination at the desired time.’ Based on his experience, the PM provides the task leader with a proactive view of what will happen in the following months and monitors if the planning is still realistic. Pietro adds that the PM also needs to serve as a reliable counterpart in the evaluation exercise of the staff’s performance.

Contributing to quality during the audit and reporting phase

Helder and Pietro both consider quality assurance to be a key element of the added value a PM can bring to the task. PMs are deeply involved in the various quality processes for all audit tasks. In general, the focus of the quality review lies on the structure and the content of a report. Both underline the need for a logical connexion between observations, conclusions and recommendations, but also assure that the language used is clear and precise. Helder adds: ‘It is important to take a step back before you look into the quality of our work, and that is also the reason we are
sometimes asked to take part in the Equal Quality Control Review (EQCR) exercises for special reports that do not fall under your own responsibility. I think this is a good practice. After this exercise, the director of the audit chamber takes account of the PM’s comments when reviewing the report. Pietro continues saying that there is a real benefit of having a frank discussion about specific audit issues in the management team. ‘Different views may need to be absorbed in the report to increase its impact. After all, the ultimate objective is to publish reports of a high quality and balance.’

Keeping up a high standard of quality is also important from a broader, more general perspective. The ECA special reports are discussed in the European Parliament, the Council and national parliaments, and expectations are high. As Helder explains: ‘We have to maintain our reputation. In our recommendations we say that the situation we found today should not be the same tomorrow. And that we think the auditee should do A, B, and C to do things better. This means we need to believe in these recommendations. They must be true! And then, if they are followed up, tomorrow’s situation will indeed be better than today’s.’

Pietro adds that the audit reports, such as the ECA special reports, cannot be compared to the work of journalists: ‘Journalists are better at covering certain topics quickly. They can choose their words with less certainty, as they do not face the same reputational risk as the ECA.’ Helder expresses his agreement as Pietro continues. ‘A news article will not be read two months after its publication, but an ECA report should – hopefully – last much longer. A journalist can get away with only emphasizing the negative side of things, but our reports should be balanced and we also have to come up with convincing recommendations on how to improve the situation!’

**Young Farmers report**

When asked about their experiences with the making of the special reports on Young Farmers and the Single European Sky, Helder comments ‘Young Farmers is a very interesting, but also a politically sensitive topic. Our Members and stakeholders have acknowledged this as well and it is very satisfying to see that our report had, and still has a real impact.’ This interest also showed during an audit visit to France. Helder explains: ‘A high representative of the French Court des Comptes wanted to join us because she found the topic to be very interesting and wanted to see our work during on-the-spot checks. This gave us the feeling: yes, we are in the right direction!’

Helder underlines that the report about young farmers goes into real problems and challenges, where the key question is how the EU can maintain its agricultural population to ensure the production and the product safety of agricultural products in the future. The audit showed the design of the support was not satisfactory and that funding should be better targeted to be able to attain the desired policy goals. He adds: ‘A subsidy must have an effect. Money should not just be distributed for the sake of spending money!’

Helder is happy to see that the European Parliament and the Council value the report and that they use it for their discussions about the next programming period and the future of the Common Agricultural Policy.
(CAP). He concludes: ‘When you speak about the future of the CAP, you also speak about young farmers, because they are the future. The ECA continues its work on this policy area and is about to publish a briefing paper about the future of the CAP, in which the special report and its recommendations on young farmers will also be highlighted.’

**Single European Sky report**

The Single European Sky audit was a very challenging one as well. In recent years, the ECA has audited the infrastructural component of aviation, resulting in the Special Report 21/2014 ‘EU funded airport infrastructures: poor value for money.’ However, this was the first time we looked at the technological elements of aviation. Pietro: ‘The EU is not alone and other players all over the world are developing the technological component as well. For example the US, where they have a very similar programme in terms of the philosophical idea, which is called NextGen.’ He explains that the audit team saw an opportunity to learn from the US authorities and the Government Accountability Office (GAO) which has been auditing this programme for many years. ‘We studied their reports and got in touch with them, thus taking a benchmarking approach for this audit.’

The challenge was to transform a complex, technical subject into a report that is understandable for a wider audience. Pietro: ‘it would have been relatively easy to write a very technical report for a small niche of experts. But ECA publications should be accessible for anyone with an interest in the subject. Therefore, we needed to present the information in a manner that allowed the reader to build its knowledge from zero to the level where they can understand the recommendations.’ Pietro explains that this was one of the reasons to split the audit area into two separate audits. ‘On the other hand this helped us to make sure our work would cover all aspects of the subject, whilst keeping the workload manageable’. The first audit resulted in this report on the Single European Sky. In a second phase - which is currently executed - we look into the deployment of the Joint undertaking that develops the ‘New Generation European air traffic management system’ (SESAR).

For Pietro it was interesting to work in a field that equals unchartered waters for the ECA, which gave the audit team the opportunity to develop and test new approaches to auditing a policy or a programme. As mentioned before, this is a key moment in which a PM can steer the audit by getting the starting point clear. Pietro explains: ‘I started by asking: tell me three things that work well – also in order not to overstate what is wrong – and three things that do not work well, and three things you would like to change!’ He thinks it was important to keep asking the audit team to think in a focussed way. ‘You should not wait until the end to create your overview. On the contrary. Because if you ask the right questions frequently and not in the last week, you can increasingly get a picture along the way what is important. Auditors follow this practice to select those topics and findings that will help the report to have an impact.’

Another major difficulty of this audit was the sensitivity of the topic, which meant the auditors could not approach the stakeholders, for example in the Member States, purely as auditees, because there is a direct connection between aviation and sovereignty. Pietro adds ‘And then there is the delicate military element, which meant the Member States could be reluctant to
do certain things where these might interfere with their defence policy’. He continues: ‘But in the end we managed to present a solid final report with a coherent message and we see our message is discussed and brings an added value. Both the European Parliament and the Council are now discussing the audit results and possible future action. It is satisfying to know you contributed to this!’

Pietro’s smiles when he adds: ‘Towards the end of the audit we began our discussions with the Commission and other stakeholders and noticed they not only paid attention to what we had to say, but they also said: yes, you are actually right!’ He continues by saying that, since this audit, the contacts between the Commission and the American institutions to avoid overlap between the two systems have intensified. ‘I do not want to say this is because of our work, but it is an indication we did something right.’

Pietro concludes: ‘What I enjoyed most was the very good atmosphere in team, from reporting member to audit team, during the entire period of the audit, which took several months. We never had a conflict and all noses were pointing in the same direction, all the time. Working like this is a real pleasure!’

ECA well positioned to find out what works

Both Helder and Pietro believe that the ECA quite often audits topics where there is a common understanding between the people in that specific sector, most often benefitting from EU funding. The more reason for the ECA to ask about the benefit of the EU intervention. Pietro: ‘What do we want to achieve with this? For the Single European Sky audit the ECA was the only independent body to enter this field. Most of the other participants in the discussions were somehow benefitting from EU funding. So they will always say: yes, certain things can be done better, but please continue the scheme and make it bigger.’ Helder adds: ‘The EU needs to implement what works, not only what is politically desired or merely constructed for the sake of distributing funds.’ Both PMs conclude that the ECA is well positioned to contribute giving answers to these questions through its performance audit work.
Drafting assistance. This is the label given to one service that the ECA’s English-language translators have provided for the past few years. Yet this term is arguably a misnomer – one which may even deter some potential customers. Our auditor colleagues, having spent months tirelessly gathering and poring over evidence in the field and at their desks, do not need someone to hold their hand to decide which key findings to put down on paper for the final report. The fact that the service is provided by English-language translators is a source of further confusion. The report is drafted in English, so what use could English-language translators possibly be? Below I will set out what drafting assistance is and is not, dispelling a few myths along the way.

**English-language consultants – on the quest for clarity while leaving content to the experts**

Since first deployed to support auditors in writing up their findings in early 2016, I have provided drafting assistance to various degrees. The level of support required depends on the composition of the audit team, the complexity of the subject matter, the sensitivity of the topic and media interest it is likely to spark, not to mention the preferred working methods of the auditors and private offices involved. At the most intense end of the spectrum, when working on reports covering politically charged issues, I have found myself sitting in the ‘driving seat’ behind the keyboard of a laptop projecting onto a big screen, as I thrashed out each and every word with the audit team. More commonly, though, auditors send me each draft produced, which I then amend in my office, before returning the result and meeting with the team to discuss any outstanding language issues.

In both scenarios, my role is to concentrate on language, rather than content. My auditor colleagues know what they want to say; I help them to formulate this message in such a way that it can be clearly understood, in precisely the manner intended, by a non-expert reader. Indeed, finding the right word and striking the right tone to reflect the Court’s position can sometimes be like walking a tightrope. To succeed in this endeavour, my English translation colleagues and I use the keen appreciation for nuance that we have honed through years of rendering documents from foreign tongues into accurate, idiomatic English renderings.

‘English-language consultant’ is, then, perhaps a more fitting title for the role we play within an audit report drafting team. Another option would be ‘clear language officer’, since we are summoned to eliminate
superfluous words, smooth away any ambiguities, transform vague passive musings into to-the-point active statements, right any grammatical wrongs, and banish any traces of cryptic ‘Eurospeak’ jargon, most often not that clear for people outside the EU audit bubble.

As non-auditors with an interest in European affairs, we are well placed to flag anything likely to puzzle the curious, but non-specialist reader; that is to say, anything not expressed plainly. In this capacity, we might point out terms that require explanation or arguments in need of elaboration. But this is as far as we go in terms of trying to influence content.

While enhancing a text’s clarity of message, we also tackle the minutiae, checking that house style and, where required, the interinstitutional style guide are correctly applied, keeping an eye out for omissions, scouting for inconsistencies, spotting spelling mistakes and remedying any punctuation blunders. In this way, we fuss over the subtleties, so that the auditors can concentrate on the bigger picture.

Drafting assistance – service uptake on the rise

In 2017 we provided drafting assistance for 26 special reports. This is up on the previous year’s figure, when only 10 reports benefitted from our expertise. 2017 was also the first year in which we were called in to make the annual report more readable – a well-received pilot exercise that will be repeated this year. Unsurprisingly, then, editing in all its guises now counts for an increasing share of our team’s workload.

The service’s popularity has grown as satisfied users have returned for repeat business and recommended the experience to others. Reports in which we have been involved often have less of a hard time at chamber readings and are easier to translate since we try to eliminate anything likely to throw the translators off course – or at least this is what our colleagues tell us. Furthermore, it is surely no coincidence that we worked on the language of four of the five special reports which won a clear language award last year.

Native speaker auditors also call upon us, as our support allows them to concentrate on the technical aspects of the report. After all, even the world’s bestselling authors have their work edited and proofread – we all need a second pair of eyes.

Report lifecycle – when to bring your consultant on board

As any of our happy customers will tell you, it is best to bring a drafting assistant (or consultant) on board as early as possible, from the audit proposal stage onwards. This will save time further down the line in the likely event of sentences being recycled from planning documents. And do invite your consultant along to the conclusions-drawing meeting. Whether we help in drafting or only attend these meetings, sitting in is helpful as it allows us to hear the main concerns being discussed, so that we can later help bring the key messages to the fore.

Once assigned to a drafting team, we are at the end of the phone and poised in front of our Skype chat windows throughout the day, ready to help clear any linguistic stumbling blocks that might surface. Since drafting support is a priority task for English Language Services, we will juggle our agendas to attend meetings where our presence is required.
Once the auditors have whipped their draft into a suitable shape, they forward it to their language consultant for editing, repeating the exercise for each successive draft. The degree of intervention required on our part diminishes with each round, as problems are steadily ironed out.

Keeping the language consultant in the loop is particularly important in the later stages of the report lifecycle, since it is in this final flurry of activity that the risk of introducing errors is at its highest. No matter how tight things get, a final linguistic check is a step that should not be overlooked, since the slightest silly error – the kind that we all make, quite understandably, when under pressure – can undermine the credibility of an entire report. Best practice is to have us proofread versions before they are submitted for chamber reading, and even to invite us to attend meetings with auditees discussing audit findings – as we do for the annual report chapters – so that we can stop any mistakes from making their unsightly way into the report. I would like to see the day when this best practice becomes standard practice. In the meantime, I will keep doing all I can to help the ECA write better.
Audit quality review in an audit chamber: purpose, experiences and results

Interview with Sylvain Lenhard, Directorate Investment for cohesion, growth and inclusion

By Gaston Moonen, Directorate of the Presidency

The ECA’s authority and reputation depends heavily on the validity of its audit findings and the objectivity of its reports. Analysing audit evidence and drawing conclusions on it are essential steps in audits. This is particularly true for performance audits, where there are not always ‘hard’ criteria to assess whether things have been done in the right way. The audit quality review therefore constitutes an important step in the process towards producing a performance audit report. Sylvain Lenhard agreed to submit to a crossfire of questions to share what the audit quality review work entails in his audit chamber.

Wide range of tasks

When it comes to work programming and quality control at audit chamber level Sylvain Lenhard has substantial experience to build on. For several years, he worked as assistant to the director in the Chamber 1 Directorate - Sustainable use of natural resources, before moving to his current position in July 2017. He reflects, ‘In both chambers my responsibilities have been quite similar: for programming, setting up the chamber programme when that was still the practice, monitoring the implementation of the work programme, and also advising on staffing issues.’ Last but not least, a large part of his duties relates to quality review, executing, as it is called in the ECA, the Engagement Quality Control Review (EQCR) at chamber level. ‘ Obviously I do not do that for all the reports that our chamber produces. But by coincidence, because of my change of directorate, I did the EQCR for both the audit on young farmers and the one on the Single European Sky.’

Present at the birth of two special reports?

When we discuss the conception of these reports it turns out that Sylvain was only involved in one of them, the one on young farmers. ‘I was familiar with the topic from the very beginning, when it came up in our policy scan, at that time still known as policy and risk review. It came up when we were preparing for the ECA’s 2016 Annual Work Programme.’ He specifies that it came up during analysis of the main changes linked to the reform of the 2014-2020 Common Agricultural Policy. ‘We saw that a new mandatory scheme for young farmers had been introduced. For several reasons we decided to include the scheme as a potential audit topic. These reasons related to the compulsory nature of the scheme and some inherent risks that could have a negative impact on the efficiency and effectiveness of that scheme. Moreover, there was strong interest expressed by the European Parliament’s Budget and Control Committee, voiced by its chair Ingeborg Grässle, raising questions about farmers’ age and sustainability of farming activity in the future.’
Sylvain was not involved when the selection of the audit on the Single European Sky took place. But he agrees that the topic was considered a high-risk one, given its complexity and the considerable amount of funds involved. He adds, ‘Another obvious reason was that, given the increasing importance of air transport, the topic was likely to be relevant to EU policy makers. And finally, we had not yet done a performance audit on the subject.’

Overall, Sylvain considers that the ECA’s annual work programme has changed for the better during the last years. ‘We certainly improved the top down process, with the Members setting the key priorities at College level, while audit topics addressing these priorities are suggested from the working level.’ He believes that some fine-tuning is still possible, for example by including in the policy scans the key milestones in the legislative process. ‘This would help to identify high priority tasks and time them better, providing the right audit product on the right subject at the right moment.’

Audit quality review focus in an audit chamber

When discussing his role in quality review, or EQCR, we change the focus of the conversation from the start of an audit to the end. For Sylvain, the main objective of the EQCR is ‘to provide the reporting Member and the audit chamber with additional objective assurance on the quality of the draft report – and actually also on the audit proposal – when those documents are presented to the audit chamber.’ He adds a practical note, ‘We also do it so that our director is in a position to sign for the quality of the draft report presented’, before explaining further, ‘For the audit proposal, the EQCR has to assess whether the audit is feasible, the approach proposed is appropriate and whether the planned resources and timing are realistic.’ For Sylvain this last aspect has gained importance in view of the objective for the whole of the ECA to limit the period from audit proposal to report adoption to 13 months.

As for the EQCR for special reports, Sylvain’s role is to see whether the findings and conclusions are justified by adequate evidence. ‘But we also look at the clarity of themessages and the link between the audit findings, conclusions and recommendations.’ He realises that there is sometimes an overlap with the so-called ‘horizontal’ quality review done by the Directorate Audit quality control (DQC) but, as he says, ‘It is difficult to avoid such overlaps in practical terms.’ As to the amount of work involved, Sylvain refers to the number of special reports that his audit chamber produces annually: around seven to nine special reports per year. ‘So you have to double that in view of the review of the audit proposals to know how many EQCRs we do annually.’ In his audit chamber it is, for the moment, mainly the assistants to the director who are doing the EQCRs. ‘Perhaps this might change, involving principal managers in EQCRs for audits they have no management role in.

Audit quality review in action

When carrying out EQCR work Sylvain and his colleagues use the ECA’s general guidelines, which were, however, adjusted to address specific aspects of relevance to audit tasks in his chamber. ‘Within the audit chamber we have communicated to all parties concerned, auditors and Members alike, what the EQCR arrangements entail, for which
documents, the responsibilities, and the checklist used. ‘When asked how it works concretely, Sylvain gives some details. ‘When doing an EQCR on a draft report,’ he points out, ‘this often means that you have to look at the audit working files. But also the clearing letters, with the replies from the auditees, are very helpful for corroborating the report findings with the audit evidence. If we identify issues, we normally discuss those with the team beforehand to prevent a misunderstanding from our side and establish whether it is a real concern or just a drafting issue, or something that would require more audit work.’ Sylvain explains that he works, like the other assistants, closely with the director to enable him to be well-informed when signing for the quality statement he gives for each draft report. ‘Which he has read in parallel anyway, to remain up to speed in the process.’

As to resolving possible issues or differences of opinion, Sylvain puts it in a nutshell: ‘In all the cases where I had a concern, they have always been addressed in the end, and in my opinion, satisfactorily.’ He believes the EQCR to be a useful and essential exercise. ‘Having an internal, yet independent, quality review is a standard, we have to apply it. But what is most important is that the impact is real, an improvement in the quality of our work. And it reduces the risk that we are wrong, which can constitute a considerable reputational risk for the ECA.’ Sylvain does not think that having been involved in an EQCR on an audit proposal would impair his judgement when doing an EQCR on the related draft performance report. ‘In the first case you give an opinion on whether or not the approach being chosen is the right one for answering the audit questions proposed, while, with a draft report, it is not about the approach but the findings, conclusions and recommendations. Being involved in both actually helps you have a better understanding of the audit subject, which normally helps you to do a better quality review.

**Audit quality review results on young farmers and Single European Sky**

When asked what his EQCR work revealed for the reports on young farmers and the Single European Sky, Sylvain smiles, ‘For the first one I found that there were some recommendations which did not have the right addressee. So that needed to be specified and clarified, also to allow for a proper follow-up. Another point was that we recommended continuing to do something, and for me this does not make sense as a recommendation. The requested modifications were made after the EQCR process.’ As regards the Single European Sky report Sylvain recalls no major issues, and the EQCR review requested only a few minor clarifications. On this he concludes, ‘I consider the issue of clarity of recommendations important; focussed recommendations have a better chance of being followed up.’

**Substance versus relations?**

Do auditors appreciate being reviewed? Sylvain explains that in the EQCR you mostly deal with the head of task. ‘And with the principal manager, who I always keep in the loop.’ Sylvain continues, saying that it can indeed be sensitive, but for him substance is crucial. ‘Substance is very important but the way you convey it is just as important for the acceptance of what you suggest. Also, in my EQCR role I have to keep good relations with all the people involved.’ Then he smiles: ‘So I am firm on the substance and gentle on the relations.’
Putting into practice the ECA’s quality management framework

By Bogna Kuczynska, Directorate for Audit Quality Control

Given the increasing number of ECA audit reports published and the depth in which they cover a broad range of topics, it is clear that not all these reports can be reviewed by the same pair of eyes. So how does the ECA ensure that consistent quality is achieved throughout its products? Bogna Kuczynska, who has carried out many quality reviews herself, explains what kind of quality management framework the ECA has set up for its products, such as special reports.

High quality standards to maximise audit impact

The Directorate for Audit Quality Control (DQC) helps auditors achieve the highest standards of quality in their professional output. We aim for the audit results to be communicated through readable and attractive reports, which present clear conclusions and useful recommendations for improving the EU’s financial management. As an internal support function, we also provide expert support to our auditors up-front to make sure that audit tasks are well-conceived and planned to gather robust evidence, and that they use the most effective methodology to answer the audit questions drawn up by the auditors.

Strands of quality review

All the ECA's work is governed by the International Standards on Auditing. Our quality control arrangements are based on the relevant quality control standards and, in particular, the International Standard of Supreme Audit Institutions (ISSAI 40 quality control for SAIs), which itself is based on the International Federation of Accountants’ (IFACS) International Standard for Quality Control 1 (ISQC 1).

These arrangements comprise, on the one hand, supervision and review procedures to be performed within the audit engagement team, and, on the other, the Engagement Quality Control Review (EQCR). The EQCR is an objective evaluation of the main judgments made and the conclusions reached by the audit team. The standards require an audit institution to design its EQCR procedures in such a way as to provide assurance that engagements have been performed in accordance with professional standards and the applicable legal and regulatory requirements, and that the reports issued are appropriate in the circumstances.

The EQCR for special reports at the ECA (see Figure 1) is performed:

- within the audit chamber charged with the audit task, under the responsibility of its director (undertaken by experienced auditors, independent from the audit team); and

- by experts from the DQC who had not been involved in carrying out the audit task. This latter part of the EQCR review is carried out under the responsibility of an ECA Member from the Audit Quality Control Committee (AQCC), composed of six ECA Members. This committee is tasked, amongst other things, with the oversight of the quality management framework.
Putting into practice the ECA’s quality management framework continued

The process is designed in such a way that the two strands of review complement each other.

Another important element in the ECA’s quality review is a review – peer review, if you want – by all other ECA Members. Members of the audit chamber in which the draft report is discussed can, and do, comment on the draft report, but also other ECA Members can provide their suggestions, be it during the audit chamber meeting or discussion by the College of Court Members. Below I focus on the EQCR activities.

**Figure 1 – EQCR arrangements for special reports**

EQCR arrangements for special reports

Our directorate supports the six AQCC Members in their EQCR tasks. We perform the review of audit plans and draft reports (and other documents) and provide them with our analysis, which serves as an input to their own review. One of the six AQCC Members will present his or her remarks to the reporting Member and the audit team for the audit plan or draft report at issue and to all other Members and the Director of the audit chamber where these documents will be discussed.

**Quality as focal point from the outset**

The ECA’s view is that quality should be part of the engagement process from the very outset, as weaknesses cannot easily be compensated for at the end of an audit engagement process. We thus aim to get things right from the start and commence our quality review with the planning documents, assessing the relevance and clarity of the audit questions and the links between them (to ensure that the detailed questions are set in such a way as to enable the main question to be answered). We also assess the audit methodology proposed, and whether it is likely to allow conclusive answers to be found to the audit questions.

As a second step in the EQCR process, and after the audit tasks have been finalised, we review the draft report. ECA reports need to be relevant, objective, convincing, and present our findings and recommendations clearly. We review draft reports from the perspective of an external reader. Our aim is to assess whether the text is understandable, findings are presented clearly, coherently and convincingly, and there is a logical link from the questions through the observations and conclusions to recommendations.
In particular we assess, whether the:

- the report title conveys the main message of the report in an accurate and balanced way;

- the executive summary is consistent with the main body of the text, clear and succinct;

- the audit scope and approach section sets out what was done and why and what was not covered;

- the structure of observations is clear, logical and reflects the audit questions;

- the observations set out the evidence and the criteria against which this evidence was judged;

- the speaking titles are accurate, balanced and informative;

- the audit questions are answered by the conclusions which are consistent with the evidence presented;

- the recommendations are relevant, clear, specific and realistic.

Our review is demand driven and takes place under a lot of pressure due to the very tight deadlines. As a rule, documents are issued internally five days prior to the discussion in chamber. The AQCC Member's review has to be produced swiftly, so as to allow the reporting member to reflect on the issues raised, produce a reply addressing these issues and, to gain time, to produce a revised version of the report if needed.

Zooming in on two special reports

Looking back we can conclude that in the case of the reports on Young Farmers and the Single European Sky reports (Special Reports 10/2017 and 18/2017), for example, the EQCR process was both efficient and effective. Both reports were issued internally four days before the chamber meeting. Within around 24 hours we managed to provide our input to the AQCC Member, who issued a review less than 24 hours later. In the case of both reports, the majority of the AQCC comments related to the clarity of the text. In such cases, we usually provide redrafting proposals which are aimed at making the text more accessible to an outside reader. In both cases, the reporting Members took up our suggestions to a large extent and issued a revised version of the report even before the chamber meeting. This ensured that an improved text could be discussed and that the draft report was adopted by the chamber at the first reading. Both reports were, good examples of an effective EQCR procedure and good cooperation between external reviewers and the audit teams.
Translating performance audit reports - what is so special about special reports?
By Monika Krumnau and Emanuele Pinto, Directorate Translation, language services and publication

For translators working at the ECA it is essential to acquire solid subject-specific knowledge in numerous EU policy areas in which our performance audits take place. This proves particularly important when it comes to translating or revising special reports since the areas covered can be quite technical, complex and challenging.

The translation process

When translating a special report, one major challenge is to get familiar with a (sometimes) completely new topic. The first step is to look up all the documents that are mentioned or quoted in the report. Generally, the introduction contains references to the main EU legal texts. In this respect it is very helpful that our technical pool uploads all official multilingual EU documents in our translation tool, which enables us to find any quoted element while translating. However, for a translator it is always useful to read these documents in his mother tongue, just to get familiar with the subject and with the terminology. Sometimes, the report also mentions non-EU sources, usually written in English. In this case, we need to check if they exist in other EU official languages, specifically when the references come from other international organisations. Sometimes, the search for the correct terminology can take a lot of time, especially when the topic is technical or when the reference texts do not come from a multilingual environment.

Consultation and reference

The collation forum (a platform for exchanges between auditors and translators during the translation process) on ECA’s Sharepoint platform also plays a crucial role. It is a very efficient way for the translation teams to ask any question on those parts of the text which are unclear, ambiguous or very technical, and to make the answers available to the whole directorate. The collation forum also offers the opportunity to point out any mistake (for example incorrect quotations, wrong numbering in the reference documents, misleading grammar errors), so that the drafters can correct them in the next version.

When possible, an auditor who is a native speaker proofreads the translation to check the quality and the correctness of the work. This step is especially useful when the auditor participated in the audit himself, as this will ensure he has an informed look at the text and makes it easier for him to spot any misunderstanding of the subject or the audit. His knowledge of the topic, as well as the fact that he may have spoken with the auditees in their mother tongue, can help to resolve terminology issues. An additional benefit is that it offers the
Translators an opportunity to get an insight into the audit work performed by the auditors, as well as to exchange views on the way the topic is treated. However, despite the abovementioned aids, it can sometimes be necessary to provide translators with more targeted subject-specific training.

New challenges

In recent years, the new arrangements and instruments created at EU level in response to the global financial and economic crisis have necessitated new types of audit tasks. For the ECA this has meant embarking on completely new audit fields in relation to the regulation of the financial markets, the banking union and economic governance. And when auditors have to break new ground, consequently, so have the translators!

As from 2014 we began our audit work on the financial assistance for countries in difficulties, as well as on the intervention in the Greek financial crisis and the Single Supervisory Mechanism. Given the volume and potential technicality of these reports and of future reports in the field of financial and economic governance, the Translation Directorate felt that there would be a need for some additional support in terms of glossaries, expert assistance and training. Through different ways, including training, the directorate found ways to support our translators in coping with these complex and difficult subject matters. In this context the audit team executing the audits in this area, the Financial and Economic Governance (FEG) team, has been very responsive and willing to provide background information about their on-going audit work and to shed some light on the complex issues associated with it.

Dedicated information sessions

2015 marked the starting point of the new information sessions for translators given by colleagues of the FEG audit team. Subjects included the introduction to FEG topics for translators (by Kamila Lepkowska and Josef Jindra), the Single Supervisory Mechanism (by Paraskevi Demourtzidou and Mirko Gottman) and the Single Resolution Mechanism (by Helmut Kern).

The trainers tailored these training sessions to the particular needs of translators. They provided an overview of the relevant legal and institutional framework governing the policy area or assistance programs and gave information about how the audit was conducted. They outlined the structure of the reports and the key findings. In addition to an introduction to these complex topics, the trainers also addressed possible terminology issues that might arise during the translation process and explained key concepts and technical terms used in the report.

These new types of information-sharing sessions have generally been very well-received and firmly appreciated by all attendees. Naturally, the translators are grateful to the auditors in supporting this initiative. We consider it as an encouraging example of in-house knowledge sharing and cooperation between auditors and translators. In the future, more presentations of this kind may prove necessary to facilitate translation work and assure the continuing high quality of the final translated product.
The finishing touch: getting special reports ready for publication

By Richard Moore, Directorate Translation, language services and publication

‘We are responsible for preparing nearly all ECA reports for publication,’ says Christine Stark, principal manager in charge of the publications team. ‘Except for the annual report, which is published by the EU’s Publications Office, we accompany almost every document through to final publication.’

90 documents in 23 languages

That sounds simple, but consider the numbers. In 2017, the ECA published around 90 official documents, including 28 special reports. Most of these documents, and all of the special reports, were published in 23 official EU languages. The publications team, a small team of eight people in the Directorate Translation, language services and publication (DTLSP), was responsible for transforming each one of those documents from raw text and figures into a polished report which was fully consistent with the ECA’s distinct visual identity.

The publications team takes care of a phase the report-production process which auditors and translators rarely see. So when it comes to special reports, such as the recently published reports on assistance to young farmers and the Single European Sky, what exactly do they do? ‘Basically, we ensure that all elements of the published document are ready on the day of publication, in all language versions,’ says Christine. ‘For the Young Farmers and Single European Sky special reports, as with any other audit, we worked on the layout, the covers, the graphs, the summary, the timeline, and the notice in the Official Journal, liaising with the translators when last-minute changes needed to be made.’

A process which has undergone significant changes in recent years

Since 2017, the publications team has been part of the DTLSP. Christine explains that the team’s presence in the directorate ensures that the ECA’s entire production chain, from authoring to translation to publication, is now integrated into a single, streamlined process. ‘It involves all participants using standardised procedures, rather than each step of
the process being done in a different way’, Christine continues. ‘It’s like a production line. If you want to produce a high-quality product, the production process needs to be streamlined and consistent: each step has to be carried out with that end goal in mind. If it’s done right, that adds great efficiency to an organisation’s work.’

Iveta Adovica is a member of the publications team; she has been dealing with ECA publications for five years. Many things have changed during that time. One of the most tangible changes was the adoption, in 2016, of a paperless approach to publishing reports. This brought an end to almost 40 years of paper report production. How did that change things? ‘It took out a step, but a lot of the work remains,’ Iveta says. ‘Physical printing at the Publications Office is out of the equation, but we still have to make sure the underlying files are properly assembled. Like when you press ‘print’ in a word processor: most of the work goes in beforehand.’ The Young Farmers and Single European Sky special reports, for example, were only published digitally, not on paper. This new approach has certainly reduced the cost and speed of report production: the ECA is now able to publish a report within a few days after it has been finally adopted, compared to the weeks which were previously needed in order to make the document ready for printing in 23 languages.

Publishing reports which are appealing to readers

‘Our involvement begins with the draft version of a report adopted in an audit chamber, and then we follow the report through until completion,’ explains Bettina Milewski, a member of the publications team. ‘We prepare publications in various web-friendly output formats, such as PDF and HTML. These formats are convenient for our readers: they are accessible, and they are compatible with the devices which readers actually want to use to read our reports: tablets and smartphones, as well as computers. We closely follow new developments in e-publishing, liaising frequently with the EU’s Publications Office.’

What is the highlight of the publication team’s work? ‘Seeing the final version of the report and knowing that it comes out well,’ says Christine Stark. ‘The ECA isn’t a car factory: it produces knowledge, and it disseminates that knowledge in the form of reports. So publication is an essential element of what the ECA does. It’s satisfying and rewarding to be responsible for the last phase in the production process, a phase in which all the work behind the report is brought together.’

If you want to produce a high-quality product, the production process needs to be streamlined and consistent ...

We prepare publications in various web-friendly output formats, such as PDF and HTML. These formats are convenient for our readers ...

The ECA […] produces knowledge, and it disseminates that knowledge in the form of reports. So publication is an essential element of what the ECA does.
Once an audit task has gone through its entire process, the report has been adopted and is ready for publication in 23 languages, we also need to make sure that the key messages of the report reach our audiences. To ‘sell’ our story, we focus our press and media communications on the key messages of our report. ‘Media’ entails more than just the press and journalists. In fact, social media are increasingly replacing traditional channels for communicating with citizens and specialist audiences. This has led us to rework the way content is prepared and we increasingly tailor our communication to the different media and target audiences.

Early planning and forward looking

Our press team does not wait until the eve of publication to start communicating with the press and media. The process starts weeks ahead of ‘D-day’ and entails many activities undertaken in the run-up to the publication of a special report. The ECA has moved away from a ‘one-size-fits-all’ approach to media handling, and the scale and scope of our media-related activity at the time of report publication is now determined by the likely level of interest. This is particularly true for performance audit reports, in which we generally examine specific issues and make recommendations on how to improve the way EU policies and programmes are implemented. Press activities include a press release and media advisory (press alert) as well as a press briefing and a stakeholder meeting. Advance press interviews, possibly including a pre-recorded video interview given by the reporting Member, can be also organised on occasion.

Our press team regularly meets journalists to give them a heads–up and guide them through upcoming reports in the next quarter. This allows the team to gauge interest in a particular upcoming report and to approach the journalists in a targeted manner closer to the publication date, for example, through a one-on-one meeting or an interview with the ECA Member responsible for the report.

Approximately six weeks prior to the planned publication date the press team, together with the reporting Member, the Member’s private office and the audit team, meet to gauge the likely level of interest in the report and identify target media groups and stakeholder groups. This timing largely coincides with the time when the audit chamber responsible finalises the report in question. Key messages and lines-to-take are agreed upon, communication activities are identified and the publication date is set. Equally important is the need for continuous attention regarding possible coinciding news stories that could reduce media attention towards our reports, or events in Brussels (e.g. EU summits) which could have an impact on attendance at our press briefings. Planning and looking forward remain essential for ensuring optimal press coverage of our products.
Press release and communications plan

As the most important element in our communications, the press release - in the form of a news story, so that journalists can readily use it in their reporting - is drafted by our press team around one month before the expected publication date. This allows sufficient time for the draft press release to be reviewed by the reporting Member's private office and the audit team, and for the final press release to be translated into all EU languages and be ready within one week of publication. We then target the journalists to whom we send our releases, for example by their expressed areas of interest, the country represented, and their previous reporting on similar topics. In contrast with our press releases for more sectoral reports, where we endeavour in particular to target interested audiences, we send a number of our press releases to all the journalists on our press mailing list: typically, we do this for reports for which we anticipate wide media and public interest.

The press team discusses the categories of press to be targeted with the reporting Member's private office and the audit team and includes them in a communications plan, which is drafted in the weeks before publication. Such communication plans contain, for example:

- a list of target media for the report;
- the timing for publication on the ECA website and for social media activities;
- the location for any press briefing and the contact details for all audit team members attending the briefing;
- any audio-visual arrangements;
- a list of the main non-institutional stakeholder groups, such as interest groups, NGOs and think-tanks.

Press and stakeholder briefings, web publication and social media

Sometimes a press release suffices to tell a story, and at other times we complement it with a press briefing – this in particular when we anticipate wider interest by the media and public. We mainly hold technical press briefings for accredited journalists, rather than the more 'traditional' press conferences. What this means in practice is that the reporting Member and audit team meet journalists face-to-face to discuss the report 'on the record' rather than presenting it from a stage or podium. This also means that journalists can ask (sometimes very detailed) questions about the report and get their answers directly from the reporting Member or the auditors who worked on the report. The number of journalists attending our technical briefings varies from one report to another, and typically ranges between five journalists (on more technical subjects) up to twenty (for those of wider appeal). Among our regular attendees are the news agencies, which act as 'multipliers' of the message and generate multiple stories in different news outlets across Europe and the world, and journalists following a particular sector.
Our press briefings generally take place at the International Press Centre (IPC) in Brussels on the morning of the publication day before the release of the report and are frequently followed by our specific briefing for non-institutional stakeholders (typically around the time of publication). This is an opportunity to discuss the findings and recommendations of the report with relevant stakeholders based in Brussels, such as industry associations, NGOs and think tanks.

All our reports, press releases and news items are published on the Court’s website in 23 EU languages on publication day. We also publish posts on social media (such as Twitter, Facebook, LinkedIn) ahead of the publication in order to announce or “trail” the report in advance. The report itself appears on our social media at the time of publication.

**Press and social media around the special reports on young farmers and the Single European Sky**

Special report 10/2017 on young farmers was issued on 29 June 2017. We sent a press release about the report to all journalists interested in agriculture, both the Brussels-based EU correspondents and the journalists in the Member States. In addition, we sent it to the journalists of the main media from and in the Member States where we carried out audit visits. As always, we also sent it to the journalists who regularly follow our work, and the Member States’ press agencies.

Moreover, a press briefing was held on the same day by reporting Member Janusz Wojciechowski and the audit team at the International Press Center (IPC) in Brussels. It was attended by journalists who specifically cover agricultural matters. The briefing was followed by a stakeholder briefing in which industry stakeholders, NGOs and think-tanks such as COPA-COGECA (EU organisation for farmers and their cooperatives) participated.

Our communication work for this report resulted in 114 news articles and social media posts (23 web articles and 91 social media posts) between 24 June and 12 July 2017 – the two-week period in which we systematically measured the media coverage of our report for the key performance indicator on our media presence. The social media posts published from the ECA’s official accounts produced 23,919 total impressions on LinkedIn, Twitter and Facebook and 156 social actions (comments, likes, shares or retweets).

Special report 18/2017 on the Single European Sky was published on 30 November 2017. A press briefing was held by the audit team at the IPC in Brussels on the same day. It was attended by journalists particularly interested in the single market and transport. This resulted in 50 online news articles between 30 November and 13 December 2017. The social media posts published from the ECA’s official accounts produced 4,823 total impressions on LinkedIn, Twitter and Facebook and 45 social actions (comments, likes, shares or retweets).

These two examples illustrate that media attention can differ significantly between reports, depending on the topic and the audit findings.
Increased publicity

With a choice of audit topics better aligned with the concerns of our audiences, we have been able to boost significantly the amount of publicity our performance audits receive. Our special reports now account for around 65% of the references made to our work and institution in online media.

While the number of special reports has risen, the average number of press articles written about each has also increased. From less than 1,500 online articles in 2013, it has increased to almost 7,000 in 2017, with the average coverage per special report rising from fewer than 30 articles in 2013 to almost 130 in 2017.

It is fair to say that this indicates that the media are showing a greater degree of interest in what we publish. First of all, this indicates that our performance audits on how EU policies and programmes are implemented address relevant issues. But it is also the result of the tailored approach the ECA press team takes in communicating these reports.
Bringing audit results to non-institutional stakeholders

By Kinga Wiśniewska-Danek, Private Office of Janusz Wojciechowski, ECA Member

ECA reports are presented to the European Parliament and the Council as well as national parliaments and Supreme Audit Institutions. But what does it do to reach stakeholders like non-governmental organisations, interest groups, think tanks, academics or experts active in the area audited? Kinga Wiśniewska-Danek shares her experiences on some of the stakeholder briefings she participated in.

Getting messages across to several audiences

One of the ECA's strategic goals is to get clear messages across to our audiences. With every report we try to reach out to our institutional stakeholders – the European Parliament (by delivering presentations to the specialised standing committees and to the Budget and Control committee, the Council, as well as national parliaments and Supreme Audit Institutions. More and more often, we also reach out to other partners, like non-governmental organisations (NGOs), interest groups, think tanks, academics or experts active in the area audited. Clearly the impact of our work also depends on how well we connect with all those parties.

There is no 'one-size-fits-all' approach to stakeholders' handling. One way to do this efficiently is by organising stakeholder briefings, in particular if there are many interest groups affected by EU actions in the field we audited. That is why Janusz Wojciechowski, as the reporting Member for the Special Report 8/2017 ‘EU Fisheries controls – more efforts needed,’ decided to organize such a meeting. The briefing was held on the publication day of the report, 30 May 2017, shortly after the meeting with the press. It was an opportunity to discuss the results of the report, future perspectives and challenges ahead in the area of fisheries controls. The briefing allowed NGOs to have direct access to information, meet the ECA Member responsible for the report, the audit team, as well as discuss with other experts and share opinions on ECA recommendations, which may have a direct impact on them and their work.
Different stakeholders reaching consensus on the way forward

The fact that fisheries and aquaculture are, directly or indirectly, a source of livelihood for many people makes this sector important not only from environmental but also from social point of view. With this in mind, representatives of fishermen (Europeche, LIFE platform - Low Impact Fishers of Europe), environmental organizations (World Wide Funds for nature (WWF), Oceana, Seas at Risk, Greenpeace, Client Earth, European Bureau for Conservation and Development), NGOs dealing with fish welfare (Eurogroup) and producers' organizations (European Association of Fish Producers Organisations, EAPO) were invited to the briefing. Twelve representatives of those ten interest groups attended the meeting. We decided to keep the number of participants limited to allow for the discussion to be more direct and informal. In fact, the small circle format may have encouraged participants to speak their mind more freely than they would have done in a more formal setting.

Having different interest groups in one room is very interesting, as they may not necessarily share the same interests and tend to see the same issue from different angles. The main message of our report on fisheries controls was that Member States and the European Commission have made progress over the last decade; however, the EU does not yet have a sufficiently effective system of fisheries controls in place. The auditors concluded that many fishing stocks in Europe continue to be overfished. During the briefing, the environmental NGOs stressed the need to ensure the sustainability of fish stocks, while producers' organisations highlighted the importance of having a level playing field for the European fishermen. Rather noteworthy was that the representatives of different interest groups reached a consensus and agreed with the main messages stemming from the report, namely the need for a stronger control system in the fisheries sector.

Stakeholder briefings and press briefings: similar approach but different objective

Stakeholder briefings and press briefings are actually quite similar. A typical stakeholder briefing is opened by the ECA Spokesperson, followed by an introductory speech of the reporting Member, in which he presents the audit team and presents the main findings, conclusions and recommendations of the report. Afterwards, representatives of NGOs are invited to ask questions and contribute to the discussion. Later on, there is a short coffee break giving the ECA team a chance to network and the meeting finishes with a closing remarks delivered by the ECA Member.

The nature of the discussion during stakeholder’s briefing is however quite different from what we face during meeting the journalists. While the press briefing is all about answering questions, our role during a stakeholder briefing is not mainly about providing the facts, but also about facilitating and moderating the discussion and engaging the participants in an interactive dialogue. This is because many NGOs value the possibility to take the floor and express their opinion on the report. Stakeholders’ representatives tend to be experts in the field and therefore can sometimes ask detailed and technical questions, which makes the debate very informative.

Raising awareness and interest of ECA work is the main value added of the stakeholder briefing. And this goes beyond the NGOs participating in the actual meeting. Many NGOs who attend such a briefing tend to spread news on our reports via their social media profiles. Such a meeting can also be helpful in planning future work, as participants may share their ideas, which would later on serve as an inspiration for audit topics. Another positive
outcome is that it can sometimes lead to an invitation to present the report at another occasion. For example, the stakeholder briefing for the SR 8/2017 on fisheries control resulted in an invitation to the meeting of the Expert Group on Compliance with the obligations under the European Union fisheries control system, where the audit team presented the results of the audit.

Looking for dissemination opportunities for increased visibility

Increasing the number, variety and relevance of the non-institutional stakeholders reached is a key factor in ensuring that our dissemination activities have the maximum impact. Identifying the right mix of stakeholders is mainly a task of the reporting Member and his private office. However, contributions from the audit team are very valuable. Sometimes, parallel activities can be planned to reach out better to several groups. This is particularly the case if we aim to reach out to non-institutional stakeholders in the Member States. In this respect Special Report 10/2017 ‘EU support to young farmers should be better targeted to foster effective generational renewal’ can serve as a good example. Apart from the stakeholders’ briefing held in Brussels on 29 June 2017, the day of publication, the report was also presented on 12 September last year by the audit team in Madrid at the congress of the Spanish Young Farmers’ Association ASAJA. A similar, but a larger scale event, with around 500 participants, was organized on 19 October 2017 in the European Parliament – the European Congress of Young Farmers. Unfortunately, when we heard about it, the agenda was already set. In order not to miss the opportunity to put our special report to the participants’ attention the ECA decided to distribute there leaflets with QR code to our report, as pictured above.

Another platform for exchange of views with stakeholders on the SR 10/2017 was the hearing organised by the EP Committee on Agriculture on the ‘Implementation of young farmers policies after the 2013 CAP reform,’ held on 23 November 2017. Besides Janusz Wojciechowski as Member rapporteur for this report, representatives of the Slovenian Ministry of Agriculture, the European Council for Young Farmers, the Dutch Farmers Association and the National Council for Research took part in the debate. They discussed whether the current Common Agricultural Policy measures have been able to achieve the goal of generational renewal in agriculture or at least curb the expanding phenomenon of an ageing population in this field.

Bringing audit results directly to stakeholders certainly involves additional efforts, but is ultimately a rewarding experience, as it allows to witness the audience’s genuine reactions and opinions on ECA’s work.

“The overall number of farmers in the EU-27 has fallen rapidly in the last decade and the number of young farmers fell from 3.3 million in 2005 to 2.3 million in 2013.”

“The nombre total d’agriculteurs dans l’UE-27 a connu un déclin rapide au cours de la dernière décennie et le nombre de jeunes agriculteurs est passé de 3,3 millions en 2005 à 2,3 millions en 2013.”


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Special Reports as input for parliamentary scrutiny

Interview with MEP Marian-Jean Marinescu, rapporteur for the ECA report on the Single European Sky

By Derek Meijers, Directorate of the Presidency

Writing a good report is one thing, but to have an impact ECA conclusions and recommendations have to find the ear of people like Marian-Jean Marinescu. As a member of several committees in the European Parliament, he is in a good position to take up the messages brought forward in this ECA report. Marian-Jean Marinescu: ‘I am the rapporteur for the proposal for a regulation on civil aviation rules and the establishment of a European Union Aviation Safety Agency. Needless to say I was very interested in this report.’

ECA reports at the EP

When asked what happens with an ECA special report at the European Parliament, Marian-Jean Marinescu explains that the procedure is relatively new but simple. There is short presentation in the Committee on Budgetary Control (CONT) and then, if desired, a more detailed discussion about the report in a specialized committee, in this case the Committee on Transport and Tourism (TRAN). ‘This was the first time an ECA special report about transport was discussed in the TRAN committee and Marian-Jean Marinescu thinks this is a good practice. ‘It was a good report and very useful to discuss. We should do the same for future reports about transport.’ In that respect he is also looking forward to
Interview with MEP Marian-Jean Marinescu, rapporteur for the ECA report on the Single European Sky continued

several upcoming ECA reports in the field of research and energy. He adds: ‘The ECA deals with all aspects of EU budget and the efficiency of spending and the EP’s committees should be aware of the content of ECA reports. After all, exactly these committees deal with the contents of the regulations. For example with the concept of the Single European Sky.’

Single European Sky

Marian-Jean Marinescu underlines the value of the Single European Sky report: ‘It was a critical report, but a constructive one. It succeeded in presenting all issues that need to be solved and emphasized we need to solve them quickly. Marian-Jean Marinescu adds: ‘If we do not take appropriate measures right now, the air traffic in Europe will be congested so much it will come to a complete stand still. And this will already happen in two to three years time. So the clock is ticking!’

One concern of Marian-Jean Marinescu is the question whether or not there is a political perspective that things will indeed change quickly. He explains: ‘The fact that so many Member States are involved complicates the matter considerably, but we are gaining momentum.’ He uses the proposal for a regulation on civil aviation rules as an example: ‘The proposal is currently blocked in the Council, but the EP is working hard to unblock those negotiations. The reason for the blockade is Gibraltar and the airport there, but Marian-Jean Marinescu thinks Brexit offers an opportunity to put the issue back on the agenda of the Council. He continues: ‘This should result in an updated regulation for the industry and at the benefit for the environment.’ Marian-Jean Marinescu thinks that the environmental gains in realising a truly Single European Sky are as important as the other elements. He explains: ‘I highlighted the importance of environmental aspects in the working document I drafted for the TRAN Committee. It is the key issue for the coming years and involves a lot of money. Another good argument for us to focus on environment is that if we manage to complete the Single European Sky, we will be able to substantially reduce our emission footprint without a big effort. Simply by reorganising air traffic!’

Stakeholder interest and action

Regarding the stakeholder reception of the Single European Sky report Marian-Jean Marinescu is clear: ‘the Member States have a big responsibility regarding the implementation of the initiative, which also meant there was a lot of interest from national parliaments for the SES report.’ He then continues: ‘I think national parliamentarians are an important factor to push policy improvements. After all, they are in a position to influence their governments, which in turn can promote the realisation of the SES in the Council.’ Marian-Jean Marinescu believes that it is very important that national parliamentarians are informed about all the benefits of the Single European Sky and understand that its structure does not affect the sovereignty of their airspace.’ He continues: ‘In the end it is in their own best interest as their citizens, the passengers, would be the biggest winner when the Single European Sky turns out to be a success. Even besides the environmental advantages.’

Marian-Jean Marinescu is afraid that, even though national parliamentarians often support such plans in direct discussions, in practice they nevertheless may put up hurdles such as issues related
to national sovereignty, defence, or the role of national traffic control organisations. ‘These are the issues where it is most difficult to reach an agreement, because the Member States want to keep their national air traffic companies. But this is in my view not possible. There is room for national service providers, but only within the new architecture of the airspace framework!’

ECA reports as a basis for the work of the European Parliament

In recent years the ECA has published audit reports related to transport on airport networks, seaport networks, urban planning, and trans-European railways. When asked if there are other topics, he can think of for the ECA to work on Marian-Jean Marinescu has to laugh before replying. ‘Horizon 2020 and another special report on the implementation of the regulation on the TEN-T network’.

As a MEP he clearly has high expectations for future ECA publications, like the Landscape Review on Transport and Mobility that will be published in the second half of 2018. With regard to the area of aviation, Marian-Jean Marinescu is particularly interested in currently ongoing audit on SESAR, the technical basis for the Single European Sky and the new especially developed air traffic management system. ‘As I have said before, the ECA should assess the effectiveness and efficiency of the use made of EU money, also with regards to the realisation of the European network. We need to know to what extent these funds have had an impact on the realisation of the European transport networks’. He explains: ‘I say this especially with a view to the evaluation of the implementation of the connecting Europe facility and the transport strategies that were supposed to be elaborated by the Member States. As was actually agreed in the partnership agreements between each Member State and the European Commission’. Marian-Jean Marinescu adds: ‘The ECA could also make a survey to find out how the Member States used EU money to complete the European transport networks, for which they have received considerable contributions from regional development and cohesion funds’.

Marian-Jean Marinescu concludes that the ECA’ special reports on performance are very important for the work of the European Parliament. He ends with a specific example: the EP workshop on SESAR in April. ‘The ECA report on the Single European Sky provides an important basis for this workshop.’
Presenting ECA’s special reports to the Council’s preparatory bodies and ECOFIN

By Helena Piron Mäki-Korvela, Directorate of the Presidency

Presenting special reports to national experts in the Council

Since 2000 all the European Court of Auditors’ special reports get scheduled for a presentation to the relevant Council preparatory bodies. Their meetings take place in Brussels and the reports are presented by the audit team, generally the head of task, the principal manager and the head of the private office of the reporting Member (and in some cases also the director concerned). The national delegates and experts then discuss the ECA’s findings and recommendations, and agree, among themselves, on Council’s draft conclusions on the report, which are, in turn, then adopted at appropriate Council formation at a higher level.

Moreover the ECA President gets invited once a year to the ECOFIN meeting of EU Ministers of Finance and Economy, namely to present the main conclusions and recommendations of its latest annual report, thereby launching from the Council’s side the annual discharge procedure on the execution of the EU budget.

Some reports presented at ministers’ level

The ECA’s recent publication of a host of special reports dealing with financial and economic governance, such as the special reports on the Single Supervisory Mechanism (Special Reports 29/2016 and 2/2018), and more recently Special Report 3/2018 on the Macroeconomic Imbalance Procedure (MIP), have caught the interest of the ECOFIN Council. In early 2018, the Bulgarian Presidency of the Council therefore invited ECA President Klaus-Heiner Lehne and the reporting Member Neven Mates to

The Council is one of the two branches of EU’s discharge authority. Council committees and working parties regularly discuss the findings and recommendations in ECA special reports. Helena Piron Mäki-Korvela, who deals with institutional relations at the ECA, reports on what is usually done when ECA special reports are presented to national delegates and experts at the Council preparatory bodies. She zooms in on an ECA special report which was recently presented not only at working level, but also at the Council’s ECOFIN at ministerial level.
present the main recommendations of the special report on MIP to the EU Ministers. The meeting took place on 13 March 2018, prior to the adoption of the Council’s conclusions on the report. A few weeks earlier, the draft conclusions of the Council had been at a meeting of the Economic Policy Committee, in which the ECA audit team for this report participated.

In his presentation to the ECOFIN Council Klaus-Heiner Lehne recalled the purpose of the MIP mechanism, which is to avoid an EU-wide financial and economic crisis happening again. He pointed out the need for the Commission to deal with the procedure in a more transparent way and reminded of the detailed ECA recommendations that would make the procedure more effective.

Commission Vice-President Dombrovskis thanked the ECA for its very useful work, underlining that the Commission has accepted and is about to implement the majority of ECA’s recommendations, while also warning of any mechanical assessment of Member States’ economic stability at the expense of professional economic judgement. In the ECOFIN meeting the ECA President also announced the forthcoming publication of two special reports on the European Semester, namely on the preventive arm of the Growth and Stability Pact and another one on the Europe 2020 strategy and the implementation of structural reforms.

The Council welcomed the ECA report and the fact that the Commission has accepted most of the ECA recommendations. The Council’s conclusions on the ECA’s report emphasize the importance of a predictable, transparent and consistent application of the mechanism across time and Member States by the Commission, including through good analysis and judgement based on a broad set of common high-quality analytical tools and sound economic principles. The Council also agreed on the need to further reinforce and improve aspects of MIP implementation.

**Aiming for enhanced exchanges**

Presenting ECA reports, and particularly its reports on performance issues, has become a long-standing practice and is an element highlighted in the ECA 2018-2020 Strategy. In order to be successful in influencing decision-making on EU financial management we consider it essential that our findings, and the related recommendations, also reach the Council and Member State authorities. The ECA strives to enhance the exchanges with the Council, both at the technical and the political level, and directly with governments and national parliaments. A presentation like to the ECOFIN of our special report on the MIP is a good stepping-stone to reach Member States’ governments.
Knowledge-sharing between US and EU auditors for the purpose of benchmarking

Interview with Nate Custer, program director office of aviation audits Office of the Inspector General of the U.S. Department of Transportation

By Gaston Moonen, Directorate of the Presidency

How do you go about when auditing a completely new policy area? To get some fast track insights the ECA audit team that produced the special report on Single European Sky went to the USA to meet counterparts on how they do things over there. Nate Custers, one of the organisers from the US side, shares how he experienced this exchange of views between audit practitioners.

Speaking with auditors who know the field... by experience

As unique as the European Union may be, for many of its policy areas it is not alone: many countries deal with similar public policy and public programming issues. This gives auditors the opportunity to benchmark their audit field, or specific elements of it, with other regions dealing with similar issues. Finding best practices to create audit criteria for your audit at issue is done more and more within the ECA.

In February 2017, for the audit on the Single European Sky initiative, the audit team, led by the reporting Member George Pufan, went to the USA to speak with officials from several bodies in the area, including the Government Accountability Office (GAO), the Federal Aviation Administration (FAA) and the Office of the Inspector General of the U.S. Department of Transportation (OIG). Within the OIG Nate Custer was one of the auditors who not only met with the ECA audit team during the visit but also had a close look at the special report and the findings and recommendations made. The views he expressed during the interview are strictly personal and, as Nate underlined, from an auditor’s perspective.
Nate knows the OIG inside out, having started there as auditor 26 years ago and climbing the ranks to his current position of programme director on the aviation side of the house. OIG operates with about 200 auditors and the group Nate is with consist of about 60 auditors that focus just on aviation issues. As to his area of expertise, he clarifies: ‘I have always been involved in transportation issues, ranging from aviation to railway, to shipping, to urban planning. I have spent most of my working time auditing the FAA and the Coast Guard.’ He adds that an important focus in his work has been on computer security audits, mainly focussing on FAA systems because that is where the majority of the money goes. ‘But I also worked in other modes like: federal highways, federal motor carriers, the federal railroad administration, the National Highway Traffic Safety Administration, and the Federal Transit Administration.’ Nate adds often the acronyms for these authorities, which could be a benchmarking exercise in itself, comparing it with EU acronyms on this side of the pond.

**Non-stop audit effort on the US NextGen air traffic programme**

The US version of the Single European Sky Air Traffic Management Research (SESAR) programme, currently audited by the ECA, is the FAA’s NextGen program, which encompasses many systems and capabilities the FAA has initiated. Nate specifies: ‘Our audits have been going on almost every year since its inception, looking at different aspects, including financial, programatic and performance issues. Overall we focus a lot on cost and schedule. We have always an ongoing audit project that deals with NextGen.’

When Nate received the information from Afonso Malheiro, the ECA Head of Task responsible for the Single European Sky audit, Nate found it very interesting to meet and exchange: ‘With your audit you seemed to have several similarities with what the OIG was looking at in the NextGen programme. So I put an extensive presentation together, reaching across to different directors in the OIG on the aviation side and programme managers of the specific audits. The whole idea was to present a helpful programme for your audit.’ According to Nate these exchanges visits between auditors as he experienced last year with the ECA audit team are rare. ‘In my 26 years in the OIG it was the first time I sat in a meeting with an international group of auditors, requesting such exchange with us.’

**Air traffic programmes: similar goals, different operations**

When asked what struck him in the exchange Nate does not have to think very long: ‘It was fascinating to see that the air traffic management operations between two groups are so very different, but yet our goals are the same. And the way we conduct our audits and evaluations are also very similar.’ One of the main differences is that, unlike in the EU, in the USA there is one continuous airspace and also the funding arrangements are very different from those in Europe. Nate elaborates on that: ‘Before our meeting with the ECA audit team I did not realise the huge challenge that our European partners had ahead of them, just for the fact that there are 37 national airspace
Airspace audits: similar goals, similar approaches

According to Nate, while for the programmes for a single air space the goals are similar, yet with different approaches, such differences occur less when auditing them. ‘I have the strong impression that our organisations’ audit approaches contain several similarities. Audits are conducted in the same way: you go to the source to gather sufficient factual data that meet the standards you are operating under. Again, here we had one, in the EU you have many.’ Also regarding audit objectives Nate sees many similarities: ‘For many of the NextGen audits we do the goal is to increase efficiency and cost reduction. This spun off problems which you are facing in the EU as well.’ Nate refers to issues like undefined technical requirements, spiralling costs, schedule delays, questionable benefits to users, noise and other environmental concerns. Nate explains that he went through the ECA report some time ago: ‘I found it very interesting, and containing – no surprise – many similar findings in a rather thick report.’

Audit practitioners’ network

For Nate it was the first time he participated in an exchange with international auditors for benchmarking purposes and he considers them useful for other areas he has worked in: ‘Actually, they might give interesting insights, I suspect for almost every mode of transportation.’ He mentions highway traffic safety, car safety and also pipeline and hazardous material as possible areas.

As to international exchanges and its use, Nate concludes: ‘Within the Department of Transportation we see different international contingents coming through. But talking about an actual audit was for me a first-time experience and very interesting.’ He believes it would be nice to connect more regularly between US and EU auditors. ‘Sometimes it is really hard to set-up an international trip. But it would be nice, through internet, if we can connect, keep in touch, get points of contacts and share information. And thereby establish a kind of practice sharing network among audit practitioners!’
Looking behind the acronym CEJA

CEJA is the French acronym for the European Council of Young Farmers, the Conseil Européen des Jeunes Agriculteurs. An organisation you would expect to have a large interest in what the ECA has to say in its Special Report 10/2017. Jannes Maes, President of CEJA since 2017, confirms that this is indeed the case: ‘The young farmers' report was on the dot and helped us to reflect on our own positions as input for the discussions on the future of the Common Agricultural Policy.’

Established 60 years ago when young farmers’ organisations in the six founding Member States joined together to further their common interests, CEJA’s mission is twofold, as Jannes Maes explains: ‘In the first place CEJA provides a network of young farmers' organisations across Europe as it is the umbrella organisation for 32 organisations from 22 countries and represents many young farmers. Secondly, it presents a political voice in the European legislative framework to defend the interests of young farmers and rural youth issues in Europe.’ He specifies that CEJA, with a team of four people in the Brussels office, and some additional volunteers, is active towards the European Parliament, the Commission, and other forums where agricultural themes are discussed.

Jannes Maes himself is a young dairy farmer and clearly a passionate one: ‘It is a combination of nature and entrepreneurship, and although I do believe there is still a good future for farming in Europe, there are also economic constraints with the price evolution putting a strain on...’

The young farmers’ report was on the dot and helped us to reflect on our own positions as input for the discussions on the future of the Common Agricultural Policy.
young farmers to overcome bad years. He also says that public opinion is not always positive about farmers: ‘I put all my energy and a lot of dedication into my farm, but issues like the meat scandal we saw in Belgium in early March, which has nothing to do with farmers as such, give farming a bad name. Not always easy!’

**ECA reports arriving on CEJA’s desk**

When asked how CEJA finds out about upcoming ECA reports that might interest it Jannes Maes mentions several sources. ‘We receive ECA press releases and actively search for reports ourselves. We know that the ECA regularly reports on topics concerning agriculture, so we look at the ECA website and member organisations. COPA-COGECA, for example, the organisation representing farmers and their cooperatives at EU level, brings them to our attention as well.’ He adds that CEJA is also very much interested in environmental issues related to agricultural policies: ‘Besides the young farmers’ report I think that your reports on rural development and on greening were very interesting. When they were published we were discussing our own position regarding the CAP for after 2020, so the findings and analysis brought forward by the ECA were very useful.’ He adds: ‘One constraint was that CEJA developed these positions mostly in April 2017 while the young farmers’ report came out in June 2017. ‘But it was very useful to compare the two views and have another critical look on our own proposals.’

When discussing the young farmers’ report in more detail it becomes clear that the Commission was the first to make CEJA aware of the ECA’s work on this topic: ‘Besides that we got more information on the contents of the report at the time of publication.’

**Recognizing problem analysis and solutions**

Regarding the young farmers’ report, Jannes Maes recalls that for some CEJA viewpoints it shifted the discussion because of new elements the report brought to the table. ‘Especially the focus on what the challenges were, and still are, was very useful. The report was split into two: looking at the problem and then what the solutions are bringing.’ He explains that the description of the problem by the ECA was indeed very much in line with the views expressed by young farmers’ organisations throughout Europe, ‘so it was very comforting that we could echo that signal once more to policy makers since an independent institution like the ECA came up with the same challenges and the same analysis. Looking at the measures and the results, with some of the analysis we completely agree and see it through our own experiences.’ He gives the example that CEJA agrees with the ECA analysis that direct payments that are linked to land, as they are today, is not the most suitable policy measure to address the needs of agriculture at this moment. ‘We particularly agree with two of the three recommendations: having a stronger definition on what an active farmer is and also ensuring that young people and farmers in general need to provide a well-documented business plan before being eligible for EU support.’
Jannes Maes remarks that there were also some issues where CEJA had a different viewpoint. As to speeding up the transfer of land and farms from old farmers to young farmers CEJA put forward the idea of a land mobility scheme. Jannes Maes explains: ‘But on the condition that any euro invested in such a system needs to fulfil a few criteria, one of them being that whatever asset is coming free needs to go to young people. Our fear of putting a retirement scheme forward is that this is not going to help generational renewal if it lacks the assurance that when an old farmer leaves his farm it is transferred to a young person. This was a main remark in the report where we disagreed a bit, at least that was the feeling I got when attending the presentation of the report at the European Parliament, namely that there should be equal support for young farmers and new entrants.’

**Bringing ECA findings to CEJA members**

Following the publication of the ECA report, CEJA undertook several activities: ‘We made a summary of it, as we generally do for ECA reports relevant to our work. We also put it in the weekly newsletter for all the CEJA members to read.’ Jannes Maes specifies that any time an EU organisation, like the ECA, but also the Commission or the European Social and Economic Committee, brings out a report that is of interest to young farmers, CEJA writes a summary with links to the original publication for its members.

As to participation in stakeholder briefings, Jannes Maes vividly recalls the one on the ECA’s Special Report 2/2017 on greening: ‘Very interesting. It was striking that environmental and farmers’ organisations both agreed with some of the points in the report and both used those to justify their own position.’ He believes that for the future, stakeholders have to rise above their differences and look at reports in a more neutral way, besides mainly cherry-picking.

If ECA reports are presented to institutional stakeholders, like the European Parliament, CEJA often attends such meetings: ‘We were present when the report on young farmers was discussed in the European Parliament’s Committee on Agriculture. We also heard then that some members of the European Parliament had approached members of national young farmers’ organisations and asked them for their reaction to the ECA report to see whether the ECA findings were in line with what they had experienced as young farmers in the field. I know that MEPs, and I think national parliamentarians as well, use your reports like the one on young farmers to further develop their perspectives on the topic.’

**Interest in what ECA’s future reports will cover**

Jannes Maes is also interested to know which topics the ECA is currently auditing and what kind of topics it can or cannot cover: ‘It is a pity you do not do impact assessments on potential policy proposals.’ He also thinks it is a good initiative of the ECA to present background papers to inform the public more on the details of ongoing audits: ‘That is very useful! Of course, as an external auditor the ECA is an independent organisation,

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*Interview with Jannes Maes, President of the European Council for Young Farmers continued*
but sometimes it can be useful to wait with our own remarks and conclusions until we see the ECA report on a related topic.

He also has some ideas and suggestions for future work: ‘At CEJA we would welcome an Erasmus programme for young farmers so they can find out about best practices.’ Another possible audit topic for the ECA he suggests is to look at the effects of a Commission campaign to promote food produced in Europe outside the EU: ‘I would be very much interested to see what the effects of such a promotion campaign are.’ Jannes Maes concludes that he is looking forward to future ECA reports: ‘They provide useful insights and serve as inspiration for our own discussions.’
Sharing audit experiences with peers: examining Banking Union mechanisms

By Helmut Kern, Directorate Regulation of Markets and Competitive Economy

The set up of Banking Union mechanisms like the Single Supervisory Mechanism or the Single Resolution Mechanism poses challenges for all EU Supreme Audit Institutions, not the least due to the fact that in many cases these are new areas for auditors. Parallel audits and training cooperations are tools to cope with these challenges. Helmut Kern reports on the meeting organised by the ECA on 5 and 6 March 2018 where the ECA shared its audit experiences with auditors of Member States’ SAIs.

Task Force European Banking Union

In October 2014 the Contact Committee of EU Supreme Audit Institutions (SAIs) set up a Task Force to prepare collaborative audits on the Banking Union. In December 2017 the Task Force published its first audit report on a parallel audit of the prudential supervision of medium-sized and small banks in the EU after the introduction of the Single Supervisory Mechanism (SSM).

The Task Force started the planning face for a potential audit on the second pillar of the Banking Union, which deals with the resolution of banks. The Single Resolution Board (SRB) is part of the Single Resolution Mechanism (SRM) and deals mainly with the resolution of significant banks of the euro area. It is supported by the national resolution authorites (NRAs), which were set-up in the after-math of the financial crisis 2007/2008. The main objective of banking supervisors is to keep a bank viable, whereas the aim of the resolution authority is to orderly resolve a failing bank. SRB and NRAs work together in teams in the case of significant banks. Furthermore, the SRB provides manuals and guidelines for the resolution of less significant banks. The resolution of less significant banks is the task of the NRAs. NRAs were set up in each Member State and deal with the resolution of more than 3.250 less significant banks. Recent cases, such as Banca Marche, Banca Etruria, Carife and Carichieti in Italy, have shown that the winding up of such less significant banks may, however, be quite problematic.

Sharing ECA audit experiences

During our recent audits in the area of economic and financial governance we also obtained specific experiences in relation to audits of Banking Union issues (see the February 2018 edition of the ECA Journal for more details). Since many of these audit issues are also relevant for Member States’ SAIs, we took the initiative to share these experiences at a practice sharing and training event. This event took place at the ECA premises in Luxembourg on 5 and 6 March 2018. It was attended by 13 auditors of eight EU SAIs.

The first day focussed on the legal framework and the division of tasks between the SRB and the NRAs. The topic was presented by Anna Ludwikowska, followed by a presentation from Matthias Blaas (both ECA), who explained the process of resolution planning. I closed the first day with a presentation on the resolution process. On the second day Radek Mejer (ECA) presented the results of a survey of the NRAs, which had been carried out in the course of our audit. Finally, I provided a summary on ECA’s performance audits of the Single Resolution Board (Special Report 23/2017) and the ECB’s crisis management function (Special Report 2/2018). The second day was attended by the representatives of the Algemene Rekenkamer (the Netherlands) and the Bundesrechnungshof (Germany).

Parallel audit

This practice sharing session was well received and was used to plan ahead. It is intended to propose this new task at the next meeting of the EU Contact Committee in October 2018. We are currently looking into the possibility to carry out an audit on the role of the SRB in dealing with the resolution of less significant banks, to complement this possible parallel audit.
Audit recommendations to trigger action

Why do we make recommendations in our special reports? Because we want to make EU policies and programmes more effective and efficient, to improve the financial management of EU funds and to increase their impact. Our recommendations point the way, mainly for the Commission and our other auditees, to positive changes they can make to remedy the deficiencies we reported. The 23 special reports the ECA published in 2017 contain a total of 229 recommendations. Of those recommendations, 131 (57%) were addressed to the Commission, 24 (11%) to Member States and 21 (9%) to both. The remaining 53 recommendations (23%) were addressed to other auditees, such as other EU institutions and agencies.

In January 2018 we issued new guidance on writing audit recommendations. It states that audit recommendations should meet the Specific, Measurable, Achievable, Relevant and Time-bound (SMART) quality criteria, and be fully supported by and flow from the audit findings and conclusions. In order to ensure consistency, it also provides guidance on the drafting style.

In the area of shared management, where both the Commission and national authorities have their role to play, making recommendations and addressing them to the right addressee is particularly tricky. Here the guidance prescribes a two-step approach. Firstly, where Member State authorities have been visited, the relevant recommendations should be addressed specifically to those authorities. Secondly, where the audit concludes that weaknesses identified potentially apply to Member State authorities that have not been audited, such recommendations should in principle be addressed to the Commission, in its supervisory capacity under shared management. Only in exceptional circumstances, recommendations can be addressed to Member States generally.

In response to our audit conclusions and recommendations, the Commission drafts replies which are included in our special reports. The replies published show that in 2017 about three quarters of our recommendations were fully accepted. For example, the special report on the Single European Sky contains nine recommendations that were all accepted by the Commission. The special report on EU support for young farmers contains three recommendations. Two of these recommendations were addressed to the Commission, which partially accepted them. One recommendation was aimed at Member States.

International standards for follow-up of audit recommendations

According to international auditing standards, and in particular the International Standard of Supreme Audit Institutions (ISSAI) 3000 on performance auditing, the follow-up of audit recommendations is an essential step in the performance audit cycle that serves four main purposes:

• increasing the effectiveness of audit reports: the prime reason for following up audit reports is to increase the probability that recommendations will be implemented;
• assisting the government and the legislature: following up may prove valuable in guiding the actions of the legislature;
evaluation of the auditor’s performance: following up our activities provides a basis for assessing and evaluating the ECA’s performance;

• creating incentives for learning and development: following up our activities may contribute to better knowledge and improved practice.

The ECA approach towards the follow-up of audit recommendations

The follow-up of audit recommendations is a recurrent task that analyses the impact of the ECA’s work. The analysis consists of limited reviews that assess the extent to which the auditee has addressed the findings and recommendations contained in our reports. It verifies whether these recommendations have led to the introduction of corrective measures addressing the weaknesses identified. The results of the follow-up of recommendations are presented in our annual report. The ECA’s follow-up work on how the Court’s recommendations are implemented was reviewed in 2016. This review led to a more comprehensive and timely follow-up with a particular focus on high risk and high impact areas.

In particular, the ECA follows-up all relevant recommendations that were addressed to the Commission. This enables us to report to our institutional stakeholders in a comprehensive manner on the impact of our performance audits. Each follow-up exercise focuses on the recommendations issued three years earlier. This means that the recommendations included in, for example, the 2017 special reports on the Single European Sky and on EU support for young farmers will be followed up in 2020. Its results will be included in the Annual Report for that financial year.

We also maintain a database of audit recommendations. Over the last years, we concluded that more than 80% of our recommendations were implemented fully or in most respects. The Commission in their replies (which are published in our reports) had initially not accepted a number of our recommendations. Interestingly enough we noted that a majority of these initially rejected recommendations were nevertheless subsequently implemented partially or in full by the Commission.

Follow-up of the Court’s recommendations addressed to Member State authorities

The ECA itself does not yet follow-up audit recommendations addressed to Member State authorities (unless it carries out another audit on the same subject). The Commission needs to do this in the areas for which it has supervisory responsibility (i.e. shared management). We are discussing the details of this procedure with the Commission, and a possible mechanism for reporting and verifying the results. In addition, we are seeking to involve the EU Contact Committee of Member States’ Supreme Audit Institutions and the Council to identify what kind of arrangements could yield useful information on the follow-up of these recommendations.
Interview with Eva Lindström, ECA Member since 1 March 2018

By Derek Meijers and Gaston Moonen, Directorate of the Presidency

From Stockholm to Luxemburg

Interviewing Eva Lindström a few weeks after her start at the ECA it is clear that she has enjoyed her first weeks in Luxemburg: ‘I visited the festival of Migration and Citizenship the first weekend of my arrival from Stockholm, which was an excellent way to start!’ She continues: ‘It was amazing to realize we live in a country together with people from so many different nations, and that almost 50 % of the residents of Luxemburg are non-Luxembourgish. It is such a diverse and enriching environment’.

Eva Lindström tells us she is also impressed by the range of cultural and sports facilities Luxemburg has to offer, like the Philharmonie and the Coque: ‘These are all of such a high quality. I am very happy to be here’.

Content and collaboration

Soon after taking up her duties in the ECA, Eva Lindström got appointed to the Audit Chamber ‘Financing and administering the Union,’ within the ECA known as Chamber V. Here she will be responsible for Chapter 4 of the Annual Report (Revenue) and has become reporting Member for a Special Report in the area of Customs. She comments: ‘I think this Chamber is a good place to get to know the organisation and its various activities. It will be interesting to focus on revenue given the current developments where the EU has to deal with
shrinking budgets because of Brexit, but also with a view to proposals for new income sources. So it is an area in motion.’

Apart from the audit subjects, Eva Lindström is looking forward to the collaborative aspect of the ECA structure. At the Riksrevisionen, the Swedish National Audit Office (NAO), she was one of three Auditors-General, but at the ECA, she will have to cooperate with 27 in the ECA College. Eva Lindström: ‘I enjoy working together with others and I think collective decision-making, albeit sometimes more challenging, has many advantages.’ She explains: ‘The point of collective decision-making is not to start from the same perspective, on the contrary! It is important to hear different arguments and to look at a matter from all angles to ensure you come to a well-considered conclusion.

Both sides of the coin

In 2003, Eva Lindström became one of three Auditors-General of the Swedish NAO. Together they stood before the immense task of setting-up the newly created institution, remodelling the old Swedish Audit Office, which had resided under the government, into a modern and independent Supreme Audit Institution (SAI), which is directly accountable to the Swedish Parliament. Eva Lindström: ‘Building up an entirely new organisation was challenging. When I came into office I expected the set-up to take maybe three years, but in fact, it took a longer, because of the considerable dimensions of the task. Just setting up new relations with the government and the parliament was a challenge; what relations did we want and what did we want to communicate?’

In 2011, Eva Lindström became member in the governing boards of several Swedish state-owned enterprises and agencies. She was also the Deputy Chair in the Swedish Fiscal Policy Council. From 2014 until her appointment at the ECA, she was State Secretary at the Ministry of Enterprise and Innovation where she was responsible for the daily management of the ministry. Her main area of responsibility was the state-owned companies. She points out that in her time as board member, the auditor would often be one of the few people with a strategic overview of the organisation. ‘For me the auditor would always be a very good source of information. Therefore, every time I entered a new board I would invite the auditors to ask them what their risk analysis was.’

Focus on the future: digitalisation and sustainability

Eva Lindström has experience in various fields, such as budget processes, financial stability, fiscal policy, and industrial policy. When asked about future work she identifies a number of trends: ‘With my background in macro-economics, I like to focus on big structural changes. Currently the biggest challenges are digitalisation and sustainability. The ongoing digitalisation of our society will continue radically changing all aspects of our lives. The tremendous possibilities of digitalisation can help us to deal with the challenges of the future.’

... I like to focus on big structural changes. Currently the biggest challenges are digitalisation and sustainability.
with sustainability – which we need to see in all aspects: environment and climate change, social as well as economic sustainability’.

She mentions that she was involved in promoting sustainable management in state-owned companies. ‘The Swedish government promoted both sustainability reporting and the inclusion of the state-owned companies’ work on Agenda 2030 in their annual reports.’ She continues: ‘Public and private companies have begun to realise sustainability risks equal financial risks. At the same time, orientation towards sustainability offers business opportunities.’

**Communication with stakeholders**

When listening to Eva Lindström it becomes clear she is convinced that, no matter from which side you look at it, audit is about communicating. So it is no surprise that she welcomes the ECA objective of enhancing the way it reaches out to national stakeholders, in particular in the parliaments, as identified as one of three key objectives of the ECA’s multiannual strategy. Eva Lindström: ‘I think the ECA is already doing quite a good job with the Commission and the Parliament. But we need to reach out to the Council, for example through our Ministers of Finance and through national Parliaments.’

Eva Lindström indicates that she would like to intensify the cooperation with the Swedish NAO and Parliament, including presenting audit reports in the different parliamentary committees. She already noted much interest in the work of the ECA. She explains: ‘Just before I left for the ECA I met with the President and the Vice-President of the Finance Committee of the Swedish Parliament. They were interested to hear what the ECA is doing – not just because Sweden is a net-contributor to the EU budget but also with a view to the discussions about the renewal of the Multiannual Financial Framework, and in relation to Brexit.’

For Eva Lindström, ECA Members play an important role in communication: ‘We can be the face of the ECA in our respective Member States and explain what we are doing for Europe.’ She adds that ‘We have to disseminate our message on as many different stages as possible to reach our main stakeholder, the EU citizen. In this light, the media, and especially social media can be very important and strong tools, provided we use them in a responsible way.’

**Accountability, transparency and trust**

For Eva Lindström, the ECA mission is to contribute to improving EU financial management, to promote accountability and transparency and thereby foster trust in the EU. For this, she sees the ECA role both ‘following the money’ and auditing the implementation and effects policies, which are of core interest to the EU citizen. ‘There are some big challenges ahead and we need to address them thoroughly.’ She adds: ‘I am looking forward to be a part of the ECA team and contribute in publishing clear, relevant and timely audit reports.’
Reaching out

ECA President meets Minister of Finance of the Grand-Duchy of Luxembourg

By Derek Meijers, Directorate of the Presidency

In 1977 the European Court of Auditors has its home in the Grand-Duchy of Luxembourg. This explains that our management keeps close contacts with the Luxemburgish government. On 27 February 2018, ECA President Klaus-Heiner Lehne met Pierre Gramegna, the Luxemburgish Minister of Finance, and Isabelle Goubin, the director of the Treasury.

Besides being a good opportunity to get to know each other and to have an informal exchange on various EU topics, including the forthcoming negotiations of the post-2020 Multiannual Financial Framework (MFF), Klaus-Heiner Lehne used this opportunity to outline the proposals made in the recent ECA briefing paper on the next MFF. He also presented the ECA’s modified approach to the Statement of Assurance, which is currently piloted in the area of Cohesion policy. Pierre Gramegna welcomed the pragmatic approach the ECA has chosen in this respect and underlined the importance that his government attaches to the fact that the ECA is based in Luxemburg.

On 27 February 2018, ECA President Klaus-Heiner Lehne met Pierre Gramegna, the Luxemburgish Minister of Finance, and Isabelle Goubin, the director of the Treasury, at the ‘Schatzamt’.

Klaus-Heiner Lehne, ECA President and Pierre Gramegna, Minister of Finance of the Grand-Duchy of Luxembourg
New Vice President of the Netherlands Court of Audit visits the ECA

By Laura Lalikova, Private Office of Alex Brenninkmeijer, ECA Member

On 5 March 2018 Ewout Irrgang, the new Vice President of the Algemene Rekenkamer (Netherlands Court of Audit), together with Peter van Roozendaal (task leader Banking Union in the Algemene Rekenkamer) was welcomed by Alex Brenninkmeijer and his Private Office staff. Laura Lalikova, who works as an intern in the Private Office and attended the meetings, gives some insights on what was discussed.

The representatives of the Algemene Rekenkamer had the opportunity of attending meetings with the teams of ECA’s Financial and Economic Governance, ECA – lab, as well as one-on-one meetings with Danièle Lamarque, ECA Member, and the Secretary-General of the European Stability Mechanism, Kalin Anev. The topics covered related to the different forms of cooperation, the future of EU finances, further improvements regarding effective implementation of the excessive deficit procedure, audit of the SRB, and the future and the impact of e-currencies and blockchain projects.

The discussions between the two sides led to a valuable exchange of information and opinions. The visit provided the Algemene Rekenkamer with in-depth knowledge of the most recent findings of the performance audits on the banking union by the ECA and served as a further orientation for possible future audits in this area by the Algemene Rekenkamer. Overall, both sides were enthusiastic about further enhancing the co-operation in this area between the ECA and the Algemene Rekenkamer, as well as with other SAI.

Finally, the visit has also been a success on other fronts, like in relation to the already mentioned ECA-lab, which has now established contacts with data scientists and the data hub of the Algemene Rekenkamer, setting a foundation for an exchange of ideas and products. As Alex Brenninkmeijer put it: ‘In October last year I met some enthusiastic staff members of the Algemene Rekenkamer in the Hague, who were exploring the topic ‘Audit in the digital age.’ The resonance between their enthusiasm and that of our staff in our ECA-lab is a good reason for exploring the types of information exchanges such as this one.’
A world with equality will be a better world, both for men and for women

By Magdalena Cordero Valdavida, Directorate Information, workplace and innovation

On 8 March 2018 also the ECA celebrated International Women’s Day. Magdalena Cordero Valdavida looks back at some events that happened nearby that day and provides insights on where we stand with bringing equality between men and women.

‘Achieving gender equality and empowering women and girls is the unfinished business of our time and the greatest human rights challenge in our world.’
— UN Secretary-General, António Guterres

What Tomorrow Brings

It is March 8, 2018 at one o’clock and in the hall of the European Court of Auditors a group of female colleagues celebrates International Women’s Day, posing for a photo that illustrates these lines. With my directorate we also made a picture to commemorate the day, all wearing a red item for the occasion (see picture below). I am not in the picture above because, at that moment, I am attending an event at the University of Luxembourg, organized in collaboration with the Embassy of the Netherlands and UNICEF. The event is the screening of the movie ‘What Tomorrow Brings,’ a film that takes a look inside the very first girls’ school in one small Afghan village.

This film about Afghanistan impresses me deeply. In that town, never before had fathers allowed their daughters to be educated. Following the activities of the school from 2009 to 2015, the film explains what it is like to be a girl growing out in Afghanistan today and what it takes to change hearts and minds. In that country, only 19% of girls, under the age of 15 are literate and 1/3 of girls get married before the age of 18.
A world with equality will be a better world, both for men and for women

continued

**Education as instrument to empower women**

Education drives social progress and economic growth, it is the best defense against poverty and it is a good protection mechanism against various forms of abuse and harmful practices. According to UNICEF, if all women had a secondary education, there would be 49% fewer child deaths worldwide and, in sub-Saharan Africa and South and West Asia, child marriage would drop by 64%. Also, according to this organization, investing in actions aiming at girls’ completion of the next level of education, could lead to lifetime gains of up to 68% of annual gross domestic product.

**Transformation: the time is now**

On that same day, EUROSTAT pays tribute to women by presenting a summary of their situation in the European Union: Women between 30-34 years who have completed tertiary education amount to 44% compared to 34% for men. However, the average gender pay gap in the EU is 16.3%, which means that men are paid 16% more per hour for doing the same job. Meanwhile, nearly 1/3 of women work part-time.

Different parts of the world, different needs, but all united in a common day of celebration and vindication. This year especially, International Women’s Day is accompanied by unprecedented global movement for women’s rights, equality and justice. Sexual harassment, violence and discrimination against women have captured headlines and public discourse, propelled by a rising determination for change. This has taken the form of global marches and campaigns. In many European countries (like my home country Spain,) large demonstrations and even women strikes, confirmed that ‘this is the moment.’

The theme chosen by the United Nations for the 2018 International Women’s Day is ‘The Time is Now: Rural and urban activists transforming women’s lives.’ This transformation will bring equality. And, equality will make a better world, both for men and for women.

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**At the ECA**

Number of women: 468 (51%)
Evolution of women in AD posts: 43,18% of the AD staff members in 2017 compared to 39% in 2010
Evolution of women at managerial level: 37% of the managers are women in 2017, compared to 30% in 2010
Part-time jobs: in 2017, 17,74% of the women work part-time compared to 3,07 % of the men.
Next MFF needs to take account of lessons learnt

By Mihail Stefanov, Private office of Iliana Ivanova, ECA Member

Making the EU future proof with lessons from the past

On 9 March 2018, ECA President Klaus-Heiner Lehne, delivered a keynote speech at a conference entitled ‘Next MFF: distributive, allocative and stabilization functions.’ The new MFF will be crucial in making the European Union future-proof. We can only move forward with confidence if we learn our lessons from the past. I am convinced that this conference is a very important step in this direction and I thank the Bulgarian Presidency for the excellent cooperation,’ stressed Klaus-Heiner Lehne, ECA President. He was accompanied by Iliana Ivanova, the ECA Member from Bulgaria.

The conference was the first event organised by the Bulgarian Presidency of the Council of the European Union on the next MFF, offering a forum for key political stakeholders, including EU Member State ministers and representatives of EU institutions, to prepare for the negotiations.

Klaus-Heiner Lehne kicked off the debate by outlining six key points he considers essential to improve the next MFF:
Next MFF needs to take account of lessons learnt continued

- A clear definition of what ‘European value added’ is;
- more flexibility for the EU budget, to make it more responsive;
- a comprehensive financial plan with money in, money out and an assessment of potential risks to come;
- more emphasis on performance;
- more transparency and accountability for EU finances;
- a solid audit mandate for all EU-related bodies

In his speech Klaus-Heiner Lehne also stressed the need to provide the Union with the financial means to face the challenges that lay ahead. His speech was followed by statements from ministers and high-level representatives from France, Austria, Portugal, Sweden, Latvia, the Netherlands, Slovenia, Greece, Spain, Hungary and Italy, as well as by the Vice-Presidents of the EIB and the EBRD. Both bodies will be directly involved in the negotiation process for the next MFF.

Commissioner Günther Oettinger, responsible for Budget and Human Resources, underlined the importance of quickly reaching an agreement on the post-2020 EU budget. He expressed concerns that otherwise there may be a risk that 100 000 EU-funded projects will be delayed and that hundreds of thousands of young people will not benefit from Erasmus+ in 2021.

The Commission is expected to present legislative proposals in May this year. The Bulgarian Presidency plans to start the negotiations on the next MFF immediately after that. The Bulgarian Minister for Finance, Vladislav Goranov, said that the Presidency was committed to working hard in the Council working groups to make as much progress as possible with the technical discussions.

**Visiting Bulgarian stakeholders**

Klaus-Heiner Lehne and Iliana Ivanova also took the opportunity to present the main conclusions of the ECA’s latest Annual Report to a number of stakeholders, including the President of the Bulgarian National Audit Office (NAO) and the Deputy Speaker of the National Assembly. During his visit, the ECA President already indicated that in May this year he will participate in a conference organised by the Bulgarian NAO on the role of Supreme Audit Institutions in enhancing accountability, transparency and integrity in the public sector.
Call for submissions for the 2018 European Court of Auditors Award

By Noemi Szokol, Directorate of the Presidency

The ECA aims at stimulating research into public sector auditing and therefore has established the biennial ‘European Court of Auditors Award.’ In March 2018, for the fifth time, the ECA has opened a call for submissions for this ECA Award. This year the award is dedicated to former ECA President Jan O. Karlsson. Noemi Szokol provides some details.

Stimulating research in public sector auditing

The ECA is committed to being at the forefront in developing public sector auditing. We are keen to intensify our links with academics and thus benefit from the wealth of knowledge which scholars and researchers of various disciplines are creating through their intellectual work on prospects and challenges related to public spending, auditing, better regulation and financial accountability in the European Union.

With this in mind, in 2010, the ECA has established the biennial ‘European Court of Auditors Award’ aiming at providing an incentive and recognition for research on public audit related issues. Each edition pays tribute to a person who has actively contributed to the reputation of our institution. This year, the fifth edition of the ECA Award will pay tribute to the memory of Jan O. Karlsson (1939-2016), former Member and President of the ECA, who greatly contributed to the modernisation of our institution.

Andreas Glöckner; winner of 2016 ECA Award
Call for submissions for the 2018 European Court of Auditors Award
continued

**Public sector auditing within a European Union context**

The ECA Award is addressed to European academics and researchers for peer-reviewed academic publications (articles, papers) and theses on theoretical or empirical studies related to public sector auditing, in particular within a European Union context. This covers, for example: public accountability; budgetary management; better regulation; audit of EU finances and governance; scrutiny of EU policies; evaluation and impact assessment; financial, compliance and performance audit; audit methods and standards; audit ethics; internal audit and control; reporting methods; relations between SAIs and national parliaments.

The ECA Award intends to pay special attention to publications providing readers with original insights on arising global issues particularly relevant for public sector auditing. This covers, for example, future thematic areas of interest for EU citizens and policy makers, new methodological aspects and technological opportunities, such as digital audit, data mining and analytics for audit, as well as emerging socio-economic, geopolitical or demographic developments.

**Open for researchers, scholars and graduates**

The award is open to researchers and scholars for a publication published on or after 1 January 2014; and postgraduates who have written a Master’s thesis or a PhD thesis with examination taken place after 1 January 2014.

The ECA has composed an expert panel for the review and selection of the applications. For the 2018 ECA Award the jury is composed of Prof. Robert Harmsen, University of Luxembourg, Dr Igors Ludborzs, former ECA Member, and Eva Lindström, ECA member. The jury deliberations will be chaired by ECA Member Bettina Jacobsen.

Important criteria in the selection will be the innovative character of the work and the quality of the contribution. The winner of the award will receive an award certificate, a medal, and a prize of 5,000 euros from the ECA. In addition, the winner will also be invited to a public ceremony at the ECA to deliver a lecture of up to 30 minutes.

On 31 May 2017 the 2016 ECA award, which was in memory of the late Henrik Otbo, former ECA Member, was granted to Dr Andreas Glöckner for his thesis on accrual accounting in the public sector (see the ECA Journal July/August 2017 edition).

Applications for the award should be submitted in an electronic format by 15 June 2018.

For further information on eligibility, material to be submitted and the application procedure, please visit our website.
**Background paper**

**Electricity production from wind and solar photovoltaic power in the EU**

The 2009 Lisbon Treaty gave the European Union (EU) the authority to develop an energy policy containing four essential elements, including the promotion of energy efficiency and savings and the development of new, renewable energy sources. In the 2009 Renewable Energy Directive the target for energy consumption from renewable sources across the EU was set at 20 %, to be reached by the end of 2020.

Published on
20 February 2018

[Click here for our report](#)

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**Background paper**

**Organic Food in the EU**

Organic production is a way of producing food and other products that respects natural life cycles. It is part of a larger supply chain, which encompasses food processing, distribution and import. EU Regulation 834/2007 provides the basis for the sustainable development of organic production while ensuring the effective functioning of the internal market, guaranteeing fair competition, ensuring consumer confidence and protecting consumer interests.

Published on
22 February 2018

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Free Movement of Workers – the fundamental freedom ensured but better targeting of EU funds would aid worker mobility

In 2018, we celebrate the 50th anniversary of the founding regulation on the free movement of workers, one of the four fundamental freedoms of the Union. We found that the tools put in place by the Commission ensure the freedom of movement of workers but deserve to be better known. The similarity of the respective objectives of the two EU funds supporting labour mobility (ESF and EaSI) make complementarity between them challenging and weaknesses in the monitoring system hamper the evaluation of the funded actions. Finally, the EURES portal of vacant posts in the EU will only develop into a true European placement tool if shortcomings such as the low rate of vacancies published on it are addressed.

Click here for our report

Renewable energy for sustainable rural development: significant potential synergies, but mostly unrealised

Using more energy from renewable sources is crucial to reduce the EU greenhouse gas emissions and its dependence on fossil fuels and imported energy and thus contribute to the security of its energy supply. Moreover, renewable energy can play an important role as a driver of sustainable development in rural areas. In our audit, we found that there are potential synergies between renewable energy policy and funds designated to facilitate sustainable development, but that these synergies remain mostly unrealised. The EU’s renewable energy policy is not explicit enough in establishing the conditions for linking renewable energy to rural development successfully. The specific funding available for rural development could play a role in achieving EU and national renewable energy targets, but Member States did not always prioritise renewable energy projects that could make a contribution to sustainable rural development.

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Making a performance audit report: insights from audit team leaders

Putting into practice the ECA’s quality management framework

Special Reports as input for parliamentary scrutiny

Young farmers association closely following ECA reports on agriculture

Transparency, communication and trust - A way to meet the EU’s challenges