Special theme

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TRAINING & PROFESSIONAL DEVELOPMENT
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>05</strong> Editorial</td>
</tr>
<tr>
<td><strong>06</strong> Professional development: driven by curiosity for knowledge</td>
</tr>
<tr>
<td>Interview with Eduardo Ruiz Garcia, ECA Secretary-General</td>
</tr>
<tr>
<td>By Gaston Moonen, Directorate of the Presidency</td>
</tr>
<tr>
<td><strong>11</strong> Human Resources, recruitment and training: how it all connects</td>
</tr>
<tr>
<td>By Aglika Ganova and Isidoro Rodriguez de las Parras, Directorate Human Resources, Finance and General Services</td>
</tr>
<tr>
<td><strong>13</strong> Training at the ECA: from vision to reality</td>
</tr>
<tr>
<td>By Veronica Ardelean, Directorate of Human Resources, Finance and General Services</td>
</tr>
<tr>
<td><strong>17</strong> Blended learning: seizing the opportunity</td>
</tr>
<tr>
<td>By Paul Schilling, Sonia Ben Abdelhafidh and Nicolas Neymann, of Deloitte Tax and Consulting</td>
</tr>
<tr>
<td><strong>23</strong> Providing training in a modern format to new and senior colleagues</td>
</tr>
<tr>
<td>By Slawomir Kozlowski, Directorate Human Resources, Finance and General Services</td>
</tr>
<tr>
<td><strong>26</strong> ASPIRE – ECA’s programme for newly-recruited auditors</td>
</tr>
<tr>
<td>By Derek Meijers, Directorate of the Presidency, and Ibolya Rajka, Directorate Human resources, finance and general services</td>
</tr>
<tr>
<td><strong>29</strong> Doing an internship at the ECA: ‘Not just coffee and Excel sheets’</td>
</tr>
<tr>
<td>By Michael Pyper, Directorate of Translation, Language Services and Publication</td>
</tr>
<tr>
<td><strong>32</strong> Being a trainer: the satisfaction of sharing knowledge with your colleagues</td>
</tr>
<tr>
<td>Interview with Rosi Drago, Directorate for External Action, Security and Justice, and Jesús Nieto, Directorate for Audit Quality Control</td>
</tr>
<tr>
<td>By Tom Everett, Translation, Language Services and Publications Directorate</td>
</tr>
<tr>
<td><strong>36</strong> Soft skills on a pedestal: leadership training at the ECA</td>
</tr>
<tr>
<td>Interview with Nancy Batens, trainer on communication and management</td>
</tr>
<tr>
<td>By Derek Meijers, Directorate of the Presidency</td>
</tr>
<tr>
<td><strong>39</strong> Training on leadership – some takeaways</td>
</tr>
<tr>
<td>By Marion Colonerus, Directorate Regulation of markets and competitive economy</td>
</tr>
<tr>
<td><strong>41</strong> Delivering Executive Training for forward-thinking policies</td>
</tr>
<tr>
<td>By Silvia Dell’Acqua, Coordinator of Executive Training at the EUI’s School of Transnational Governance</td>
</tr>
<tr>
<td><strong>45</strong> Learning and staff development: how does ECA’s knowledge sharing activities with the external world fit into the picture?</td>
</tr>
<tr>
<td>By Derek Meijers, Directorate of the Presidency</td>
</tr>
<tr>
<td><strong>48</strong> Director’s cut: striving for impactful staff development</td>
</tr>
<tr>
<td>Interview with Gerhard Ross and Mariusz Pomienski, ECA directors</td>
</tr>
<tr>
<td>By Derek Meijers and Gaston Moonen, Directorate of the Presidency</td>
</tr>
<tr>
<td><strong>51</strong> Connecting EU institutions to lifelong learning</td>
</tr>
<tr>
<td>Interview with Anna Smedeby, Acting Head of the European School of Administration</td>
</tr>
<tr>
<td>By Derek Meijers and Gaston Moonen, Directorate of the Presidency</td>
</tr>
<tr>
<td><strong>56</strong> ‘Auditors Alliance’: OECD’s new forum for public sector auditors</td>
</tr>
<tr>
<td>By Jennifer Eddie, Organisation for Economic Co-operation and Development (OECD)</td>
</tr>
<tr>
<td><strong>59</strong> Lifelong learning – right on time, tailor made and just for you</td>
</tr>
<tr>
<td>Interview with Sarita Kaukaoja, Head of Unit of Learning and Development in the European Parliament</td>
</tr>
<tr>
<td>By Gaston Moonen, Directorate of the Presidency</td>
</tr>
<tr>
<td>Page</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>63</td>
</tr>
<tr>
<td>67</td>
</tr>
<tr>
<td>65</td>
</tr>
<tr>
<td>71</td>
</tr>
<tr>
<td>74</td>
</tr>
<tr>
<td>78</td>
</tr>
<tr>
<td>83</td>
</tr>
<tr>
<td>89</td>
</tr>
<tr>
<td>91</td>
</tr>
<tr>
<td>93</td>
</tr>
<tr>
<td>94</td>
</tr>
<tr>
<td>97</td>
</tr>
</tbody>
</table>

**FOCUS**

| 98   | Publications in March 2018                                           |                                                                      |

**REACHING OUT**

| 89   | ECA hosted international symposium on public funding of parliaments in Europe | By Stéphanie Girard and Loris Corzilius, Private Office of Danièle Lamarque, ECA Member |
| 91   | Performance audit on JASPERS - coordinated audit and presentation at the Croatian Parliament | By Thomas Obermayr, Private Office of Oskar Herics, ECA Member |
| 93   | European Ombudsman visiting the ECA                                  | By Charles Crowley, Directorate Audit Quality Control                  |
| 94   | Visitors from Aruba’s Court of Auditors: common issues and areas of interest | By Derek Meijers, Directorate of the Presidency |
| 97   | Blockchain technology is here to stay - ECA presenting its ‘proof-of-concept’ project at the 1st European Blockchain Summit   | By Spyros Pilos, Directorate Information, Workplace and Innovation   |
When we decided on Training and Professional Development as the special theme of this edition of the Journal, I asked myself: when did I have my last training and on what? We have done several interviews on this theme and in the first ones we began with asking these questions – when did you have your last training and what was it about? However, looking back on those interviews I realise how ‘old school’ these questions actually are.

Most people will still associate training with a classroom. You might recall the times when you were in such environment. But today’s training approach, often called Learning & Development, or L&D, – the ‘new school’ so to say – is much broader than training in a classical sense. Nowadays, we learn in many more ways than ‘old school’ classroom learning. The focus is on sharing knowledge, picking up new skills and developing competences, all enabled by digitalisation. Micro-learning, e-courses, customised tutorials, videos, animations, all according to the ATAWAD concept (‘any time, any place, any device’), are the ‘new school’ means used to unlock knowledge. And preferably lifelong knowledge. Or, as Michelangelo said at the age of 87: Ancora imparo (I am still learning).

Several terms are used to indicate the approach to creating an effective learning environment: blended learning, knowledge sharing, 70-20-10 learning, etc. All these concepts are explained in the many articles we have received. It is a topic that everybody we spoke to finds of utmost importance, including managers not directly involved in providing L&D. It seems to be undisputed that Learning & Development – or whatever name you like to use – is crucial for any organisation. And the EU institutions are no exception. The ECA, as a knowledge-based organisation, highlighted the importance of lifelong Learning & Development in its 2018-2020 Strategy. ECA Secretary-General Eduardo Ruiz García considers L&D to be an essential condition for the success of the institution and its incremental institutional growth.

But how to put such priority and ambition into practice? Looking at the broad range of activities the ECA organises to realise this objective, I was daunted to see how multi-faceted, interdisciplinary and wide in scope these Learning & Development activities are…and have to be. Many look to the outside world, to help our staff open up to new perspectives and to foster innovation in our institution. For that reason, we include in this Journal L&D perspectives and activities of the many organisations the ECA is dealing with – be it other EU institutions (such as the Commission or the European Parliament), the private sector or the academic world. And we have articles on blockchain and audit, where L&D is needed to make sure that our staff have the necessary expertise to address future challenges.

The effects of Learning & Development activities on staff seem to be multifaceted too, ranging from motivating them to join an organisation and stay, to promoting career development and transferring knowledge to others. Moreover, L&D is a lifelong activity: starting from the first day a newly recruited member of staff joins the ECA (or even before) until he or she leaves. This multi-faceted characteristic does make it more difficult to measure the effects and impact L&D activities can have on staff and on the organisation, a problem that occurs more often regarding an intangible asset as knowledge is. Even more so when you look at the blended format in which Learning & Development is increasingly offered. But whatever the effects, experts seem to agree that you have to be curious to get the most out of a training activity, clear about what you want to learn and be willing to expose your deficiencies. For some learning needs, for example on soft skills, face-to-face training, will remain key. That is where the ‘old school’ classroom methods come back into the picture again, but as part of a blended Learning & Development approach.

Given the fascinating character of the topic, this rather voluminous Journal edition offers a great variety of articles. So, just as with L&D topics, pick and choose from the ones you like.

Gaston Moonen
Key ingredient for success

The first thing Eduardo Ruiz García conveys when we start the interview is how pleased he is with the selection of training and professional development as a specific theme for this edition of the ECA Journal. ‘Training and the exchange of knowledge are the keys to the success of the institution. And also essential for the personal success of anyone of us.’ He believes that, depending on their capacity to learn and communicate, people will be successful in their professional lives, but also in their private lives. ‘And the professional capacity of individuals will be translated into the institutional capacity of the ECA. Skills that you learn at work are very useful for personal life - and the other way around - in my view essential for incremental institutional growth.’

On the occasion of the ECA’s 40th year anniversary ceremony last year, the Secretary-General underlined, ‘The ECA’s main asset is its staff.’ When elaborating further on this he says: ‘Of course it is not possible to quantify the value of staff. But if you consider that the value is the capacity to do things, and things of good quality, being relevant, reliable, timely, etc., training will be the petrol to fill the engine, enabling us to continue to learn new things that keep us up to date and in step with the world.’ He points out that, as the ECA identified in its 2018-2020 strategy, the ECA’s staff play a crucial role, since it is they who achieve the ECA’s strategic goals. Eduardo Ruiz García attributes particular importance to innovation in audit. He explains: ‘Innovation has two sides and will work with or without us. The ECA needs to be able to capture innovation in technology, management, etc. In this sense, the ECA will be the recipient of innovation. But the ECA should also deliver innovation, so be the provider.’

Having joined the ECA in 1989 - and served as its Secretary-General since 2009 - Eduardo Ruiz García has seen the institution’s professional development evolve. And he played a significant role steering it to where it stands now. What does he see as the key ingredients for the ECA’s professional development and how does it tie into the institution’s core activities? An interview with an ECA civil servant, who finds learning and development a personal joy and an institutional priority.
With obvious enthusiasm, the Secretary-General zooms in on one particular issue where he sees possibilities for the ECA to be a provider of innovation: ‘Magdalena Cordero and Spyros Pilos of our Directorate of Information, Workplace and Innovation, proposed a pilot project, using a start-up in Luxembourg, to use blockchain technology, specifically in tender procedures. In blockchain, every step is secured in every single document and everything can be tracked automatically. So the idea is to also use this technology for audit. Sometimes blockchain is associated with negative things, such as money laundering, but its technology is capable of much more than that.’ Eduardo Ruiz García finds it important that the ECA understands how this new technology could be used to ensure that every single step in the tender procedure is carried out according to the regulatory requirements. ‘I think this pilot project clearly has innovative potential. Recently I was asked for possible topics for a conference on public tendering. Besides Christophe Lesauvage, who can cover the legal aspects, I think our pilot project on blockchain technology would be a good example to present.’

**Trust and individual performance**

For Eduardo Ruiz García there is another link between professional development and the ECA’s strategic objectives, even though it may be slightly more abstract: ‘A crucial element for creating trust is the product the ECA is able to produce. Citizens’ trust in what we do depends on the independence of our institution, the quality and relevance of our work, clarity of our reports, the transparency of what we communicate, and also the efficiency of our organisation. All these qualities that make up our contribution to the EU’s future depend on the work of each individual.’ He then distinguishes two elements: ‘We need to maintain a high professional standard at the ECA, so a lot of our training is directed at developing and disseminating these standards, principles if you want, and having them shared and applied by everybody. But we also need people who are specialised and versatile enough to apply that specialised knowledge in several areas. And people who are able to understand how the environment we work in is evolving.’

For the Secretary-General this is a main driver to encourage presentations on a diverse range of issues related to the EU, and not always directly linked to audit: ‘You sometimes have to start at an abstract level, understanding the different layers, to be able to ask the right questions, also when related to audit.’

**Identifying needs and transferring knowledge**

When it comes to how professional development should be stimulated, Eduardo Ruiz García believes that many ways of transferring knowledge should be used, ranging from classroom training and individual tutorials to case studies and e-learning. He refers to an experience he had when he went for training on knowledge management in London: ‘There I found out that initially I had the wrong idea of knowledge management, thinking that the most important element was to have a portal where you can put all the knowledge. Then you would have a knowledge ‘store’ which people can visit and retrieve knowledge from, for example by using a tool like Sharepoint.’ He reflects that for many people this is still the main aspect of knowledge management. ‘But it is not like this. And at the end of the day creating such a ‘store’ is not the most important thing.’ He recalls that in this training course the teacher gave the example of the bull, reflecting a big idea, and the squirrel. ‘In the end the teacher said we should go for the small one because the impact will be higher.’ He explains what this means: ‘We first have to convince everyone that knowledge and knowledge management is essential for our institution.’

Eduardo Ruiz García believes the ECA has already put many things in place. ‘What is very important is tailor-made training, and not only for specific task managers,
IT people, translators or assistants. But also for specific needs related to a concrete task or an individual chamber. For example, one of the big challenges for the ECA was to provide added-value in the Financial Economic Governance (FEG) area. He points out that training played a crucial role in this. ‘We organised a very intensive training programme, with many tailor-made courses, for auditors moving to the FEG team. It was a tremendous achievement by the team members to apply this expertise and deliver high quality work.’

In this context the Secretary-General also refers to the agreement the ECA has concluded with the European University Institute (EUI) of Florence. ‘We signed a memorandum of understanding on cooperation and one of the aspects covered, besides the archives and the post-graduate prize – was a special training programme designed by them, with expertise from their financial and banking governance department. Part of this training was specially designed for us, with our help.’ He indicates that the ECA is currently discussing creating a platform for e-learning on this topic and other issues. ‘This will allow us to make part of our training available to other people, such as training on performance audits. For such topics, e-learning can be one of the elements of blended learning to obtain knowledge and skills.’ He also links this platform to learning by new recruits at the ECA, for example in the context of the ASPIRE programme: ‘When they are recruited for the ECA it could be a few months before they actually start working at the ECA. During this period they could already get some of the training by e-learning before actually taking up their job.’

Opening up to new perspectives

Speaking about cooperation with the EUI takes us to another topic, which is clearly high on the agenda of the Secretary-General: collaboration with academia. ‘When you do an audit there is also a risk of tunnel vision. You gather your data, do your data analysis, etc. All very important but this approach also has some drawbacks: you risk always doing the same thing in the same old way, missing relevant things that are going on somewhere else, but you are not necessarily aware of as auditor. For that reason we need more external knowledge, which universities and academics who carry out state-of-the art research can offer. In addition, they also have the pedagogical skills to transfer it.’ For Eduardo Ruiz García the many presentations organised by external experts at the ECA should be seen in this framework: they are an opportunity to broaden our view and become acquainted with the work done elsewhere. This general insight must then be deepened. ‘For many subjects we organise a general presentation open to everybody, followed by a workshop or so to go deeper into the subject matter, focussing on best practice.’

When asked about the last training course he did, the Secretary-General first replies in this ‘blended’ way: ‘I attend many presentations, often also introducing the speaker, such as – recently - a speaker on the Open Budget Initiative, which relates to transparency, a topic very close to the ECA, and involving a lot of benchmarking.’ But then he recalls a more classical training setting: ‘It was on anti-corruption. I represent the ECA in the EUROSAI Task Force on Ethics, in which several European Supreme Audit Institutions participate. I think it is very important, as stated in our 2018-2020 strategy, to see how the ECA can further develop its role in fighting fraud and corruption and reporting on this. Precisely on this subject I am going to deliver a talk at the University of Pisa to students of the Jean Monnet chair programme.’

Embedded in our work culture

The Secretary-General underlines that it is essential that training and knowledge sharing are embedded in the ECA’s work culture. ‘It is not only about knowing but also handing knowledge on to others. Everybody has a responsibility in this.’
And we do not seek uniformity. If you feel - when transferring files, if you feel better making a note, please do it. But if you feel better having an interview with the person taking over and the new person creates a file on that, that is fine too. As long as you make an effort to preserve the institutional knowledge that you have helped to build up.’

In line with that, Eduardo Ruiz García believes it will be very interesting and, hopefully, useful if the ECA’s knowledge and work were also included in courses on accountability given by other institutions. ‘I would very much welcome it if, for example, the European Parliament (EP) were to include information on the ECA in their coursework, both for their staff and Members of the European Parliament, either given in person or by recorded tutorials or other ways.’ He points out that this has been done before, particularly at the start of a new parliamentary period, through a more classical set-up, such as presentations on the ECA to the EP’s Budgetary Control Committee. ‘But other ways, through videos, animation, etc., and on demand, would be an excellent idea.’

**Diversity as an asset**

When speaking about the many different educational backgrounds people working for the ECA have, the Secretary-General thinks this is a gift. ‘Diversity is an asset! Our diversity is unique and can only make us stronger. We have to take advantage of it to the fullest extent.’ He refers to what he said before, about creating a working environment with a high professional standard shared by everybody.

Eduardo Ruiz García believes that the ECA’s training programme for newly-recruited auditors – called ASPIRE - is an important step towards reaching a common understanding of audit. ‘We need to teach them the working culture of the ECA: our view of public audit in the EU context, the procedures, how we write reports, how we communicate issues, questions on ethics, etc. And then we have to be open minded and realise that there are many different backgrounds and different skills, and help everybody to develop them further. This is why we opted for making many presentations, seminars and workshops. We are nearly one thousand people, so there are many different profiles and training needs’.

**Training as motivator and facilitator**

The Secretary-General refers to another important step for further learning in audit, one he is clearly proud of: the master’s degree the ECA has developed together with the University of Lorraine in Nancy. ‘The fact that we facilitate the achievement of a master’s degree is very motivating, I hope. The number of applicants and profile of the people participating is a clear testimony to its success.’ He also brings up the cooperation programme the ECA will start with the University of Pisa in Italy through a summer school programme, which, in the summer of 2018, will focus on digital audit. And he refers to the initiative to develop another university diploma, also with the University of Lorraine, in the form of a postgraduate diploma in statistics and data analysis. ‘This is to be put in place next year, and, besides ECA auditors, people from other organisations, such as Eurostat, will also participate.’

Regarding inter-institutional cooperation Eduardo Ruiz García refers to the ECA’s intensive cooperation with the European School of Administration (EUSA). ‘We are certainly interested in using their services to the fullest extent.’ But he also wants to reach out beyond the EU institutional framework, for example, on training for managers: ‘There is, of course, training for principal managers at inter-institutional level but it is also very interesting for our managers to attend a business school, together with people from the private sector. Going outside the EU bubble can give our managers new insights.’ He points out that learning and development needs different ‘exposures,’ as he calls it. ‘Sometimes internal or inter-institutional exposure is appropriate, sometimes you have to go outside those frameworks.’
Eduardo Ruiz García sees training as a motivating factor but also as facilitator: ‘If you want to progress in your career and you or your manager realise that you need to improve something – like improving your communication skills, or specific IT skills, etc. – then work on it and get training to overcome this deficiency. But above all training should be a motivating factor, not only to get recognition but just the fact that you have the opportunity to listen, participate in a discussion, to feed your curiosity.’ He explains that quite often he picks up ideas during presentations given at the ECA, which turn out to be useful later on. ‘I think this goes for many of us. Curiosity can be very motivating to get into things.’

Then he brings another element into the picture: ‘More and more ECA colleagues are providing training outside. This is a good sign of recognition, actually two recognitions: of their professional expertise as an auditor and of their individual skills and abilities as a trainer. But it is also a recognition of the work of the whole institution.’

**Impact on ECA work**

The Secretary-General considers it rather challenging to identify, or even measure, the direct impact of training, of the learning exposure received. ‘Trying to put in practice what you have learned is not always easy. And evaluating the success of a training course goes even beyond that. But isn’t that the case with any human intellectual activity?’ He gives the example of learning Latin in school: ‘Perhaps someone said to you: ‘You are learning Latin but you will never use Latin.’ Does that mean that Latin was not useful for you?’ He underlines that there are always things that you can apply directly and other things that make you reflect and stimulate you to find a different or even innovative solution to a problem. ‘Whatever the truth is, for me it is clear that having no professional training would be worse.’ He highlights that during the last few years the ECA has made a considerable effort to diversify its professional training approach, including seminars, presentations, involving academia, etc. He continues: ‘Let’s look now at the ECA’s output: the fact is that we produce more reports of a better quality! To what extent is this the result of professional training? Certainly it will not be only because of professional training but I am sure that our professional training efforts have contributed in a positive way!’

**Finding inspiration outside audit … to audit well**

Eduardo Ruiz García considers himself an enquiring person. ‘Curiosity is very important. As an auditor you need to be sceptical but also interested in finding out things. And curiosity is an important incentive to open your mind and find out.’ With great enthusiasm, he shares his wish to organise a seminar on the philosophy applied to the ECA’s core activity, to “auditing” as such. ‘Think about ethics, accountability, transparency, impartiality, etc. I know that some people in our house may be rather sceptical, saying that some elements are not applicable, etc. But just make yourself think and reflect on the way you are conducting your work, on why, for whom, etc. Even if such a seminar only serves to confirm, first of all among ourselves, that we are doing it in the right manner, it will be useful!’ He concludes that ECA staff members can benefit in their work from many different types of skills apart from auditing, such as political science, economics, psychology, philosophy, mathematics, etc. ‘With nearly one thousand people there is room to foster these skills. Reading Spinoza or Weber again will help to recall many elements that also feed into audit and relate to the basic concepts we need to apply in our daily practice.’
Training is an essential part of staff’s career development

Training and knowledge development is an important element of ECA’s Human Resources policy. As the ECA’s strategy for 2018-2020 stated, our staff is the institution’s key asset. The best means to guarantee that staff is motivated, engaged and up to the challenge of achieving the ECA’s goals, is to prioritise learning and development, create a learning culture, and ensure that staff will remain open to training throughout their careers.

Training and recruitment

Training and knowledge development is an important element of ECA’s Human Resources policy. As the ECA’s strategy for 2018-2020 stated, our staff is the institution’s key asset. The best means to guarantee that staff is motivated, engaged and up to the challenge of achieving the ECA’s goals, is to prioritise learning and development, create a learning culture, and ensure that staff will remain open to training throughout their careers.

Offering training opportunities play a role already at the recruitment stage. First, learning and development possibilities offered by an organisation are an important motivating factor for future recruits. In addition, once recruited, newcomers need to be quickly integrated into the working environment and methods used at the ECA.

The ECA draws from a wide pool of talents. While the majority of auditors do come from a background of economic and finance studies, you may also encounter a veterinary doctor or a civil engineer in the ECA’s corridors. The majority of newly recruited officials are laureates selected through the European Personnel Selection Office (EPSO), with expertise and skills tested by EPSO. They are introduced to the ECA’s environment by a variety of compulsory and freely available training courses, or in the case of auditors, the ‘ASPIRE’ programme. It includes training courses, mentoring and specific assignments to ensure that auditors acquire knowledge and skills which will allow them to work anywhere in the ECA and get acquainted with various ECA’s departments.

In order to cover temporary needs for specific expertise, the ECA also recruits temporary and contract agents. In addition, the ECA runs an exchange programme with Supreme Audit Institutions (SAIs), which aims on the one hand to give the possibility to ECA officials to acquire some experience in a SAI by being seconded for a period of several years. On the other hand, SAI official is seconded to the ECA as a national expert, providing an opportunity for them to gain hands-on experience in an international institution, and the expertise of an experienced auditor to the ECA.
Training and Equal opportunities policy

Some of the main measures planned in the ECA Equal Opportunities Action Plan for 2018-2020 are related to training: compulsory equal opportunities training to selection panel members, focussing also on unconscious bias; compulsory training for managers on equal opportunities issues; organising seminars, conferences and internal information sessions to raise awareness.

A new element in the HR policy, reiterated in the equal opportunities policy of the ECA is an increased emphasis on lifelong learning, with the idea to intensify the ways aimed at increasing participation of ageing staff members in training courses.

Training as means to ensure our staff’s motivation and development

The ECA provides all kinds of various training courses – soft skills, technical knowledge, language courses; specific training paths for different job types; and various presentations, seminars, conferences and workshops. In this way we guarantee our staff the opportunity to stay up-to-date with developments in their area, advance their careers, and develop personally and professionally. In 2017 the ECA allocated almost 650,000 euro to training purposes.

In the same spirit, HR staff are also striving to boost skills by attending various seminars and training courses and sharing the knowledge between us, helping us to better meet the needs of other Directorates and of staff members, and trying to become a trusted partner for ECA senior management. This also involves increased cooperation and best practices sharing with other institutions – a recent example is a presentation on the Job Shadowing Programme of the European Economic and Social Committee by the colleague who deployed it.

To sum it up: learning and development plays a significant role in attracting, retaining and boosting staff’s skills, motivation and productivity and plays a role in all aspects of HR policies.
Good intentions are important but putting them into practice is often more of a challenge. Below, Veronica Ardelean, the principal manager leading the ECA’s Professional Training team, shows the diverse actions undertaken to translate the ECA’s vision of training and staff development into concrete actions.

Learn new things, train yourself and others, share your knowledge.

Professional training is a vital component of the ECA’s Human Resources Policy. Investing in our staff’s learning and development is a priority: the range of training offered at the ECA is becoming ever more diverse, there is broad support for staff who wish to acquire new qualifications, knowledge sharing is encouraged, talent is recognised and rewarded.

At the ECA we understand professional training as something more complex than the mere training of staff in a given field of work. Professional training should encompass a whole range of activities that help a person learn and develop him or herself, and become an accomplished individual: committed, loyal, efficient, reliable and happy. In this context, the ECA has introduced several measures to ensure its staff have the opportunity to engage in a process of continuous learning and personal development.

Professional training activities also represent an excellent tool for increasing the ECA’s visibility in the international audit landscape. Our institution has become a forum that welcomes various specialists, researchers, academics, famous speakers, representatives of EU institutions and international organisations around the world. Our own in-house experts, on the other hand, are invited to give training courses and presentations all over Europe.

Context

When drawing up the current ECA training policy a number of external and internal challenges had to be addressed.

In today’s fast-moving world, the rise of technology and the increase in automation mark the beginning of a new era. We are experiencing a paradigm shift that will entail major changes in the way we work.
At the same time, new patterns of behaviour can be observed on the labour market: the competition to recruit and retain the best has become stronger.

All these changes in the outside world have a strong impact on our Human Resources policy and, consequently, on the way we design our training policy. The increasing focus on performance audit, the diversification of the ECA’s product portfolio, the arrival of ‘Big Data’ and the need to develop the analytical skills necessary to deal with such complex data, ageing staff, longer careers and more frequent staff rotation - Human Resources (HR) has to take all these challenges into account when drawing up its training programmes.

**2018-2020 Multiannual Training Plan brings fresh impetus**

Building on the ECA’s 2018-2020 Strategy, adopted in July 2017, the Human Resources Directorate has prepared a ‘2018-2020 Multiannual Training Plan,’ which brings fresh impetus to the ECA’s training activities by translating the Court’s overall strategic aim of ‘fostering trust through independent audit’ into operational training objectives.

Each year, the ECA adopts an annual training programme, and from now on this will be geared to the actions set out in the Plan. This year’s programme focuses on:

- the range of training activities offered - by targeting groups of recipients;
- knowledge sharing - by encouraging staff to become more involved in a wide range of training activities;
- training related communication inside and outside the ECA.

In principle, all these actions are guided by the motto ‘Learn, Train and Share,’ that translates into the following:

- Keep learning – in this fast-evolving world, lifelong learning is of vital importance;
- Train yourself and others – receiving and giving training will help you and your colleagues acquire new knowledge;
- Share your knowledge – pass on your knowledge: it will enrich the institution, and your talent will be recognised and rewarded.

**What does the Professional Training team have to offer?**

We offer training and knowledge sharing in a wide variety of formats:

- Area-related training: we offer training in different areas, such as financial and compliance audit, performance audit, law, ethics, agriculture, environment, external relations, financial and economic governance, equal opportunities;
- Training per staff category: the training we offer is designed to target different categories of staff. We offer courses for auditors, translators, assistants, Principal Managers and Directors, Heads of Task, medical and security staff, teleworkers, ageing staff, newcomers;
• Support for acquiring audit certification: auditors receive support for following training courses that will help them acquire different audit certifications and such training is also organised in house (for example, the preparation course for Certified Government Auditing Professional (CGAP)). We provide support for obtaining other professional qualifications too.

Staff attending external events that are essential for their work (for example conferences on energy, fraud, environment, data protection) benefit from support from Professional Training. Moreover, at the request of the different chambers or audit teams, Professional Training organises tailor-made training courses (for example, on Capital Markets Union, Imagery Analysis for Agricultural Land Use Identification, banking resolution).

ECA staff need to be multi-lingual to carry out their work effectively. Staff can follow interinstitutional weekly and intensive professional language courses in all the EU official languages. But we also offer support for colleagues who follow Luxembourgish courses outside the EU framework so that they can more easily integrate in Luxembourgish society.

In addition, through the European School of Administration (EUSA), we offer a wide range of interinstitutional courses on softskills (for example, ‘Boost your Energy,’ ‘Developing your Resilience,’ ‘Analysing and Solving Problems,’ ‘Day-to-Day Negotiation,’ ‘Oral Communication,’ ‘Personal Effectiveness’ or ‘Facing Change’).

In recent years, we have also developed several e-learning courses, such as the introductory courses for newcomers or the courses on financial, compliance and performance audit. Moreover, staff can follow e-learning courses offered by the Commission (for example, on the budget or on soft skills).

This range of training is rounded off by ad hoc presentations that we organise throughout the year, either with internal speakers (for example, financial audit and quality control Information Sessions) or with external speakers (2017 Open Budget Survey, European Ombudsman, Shadowing and career development at the European Economic and Social Committee).

Performance recognition awards have been created for staff members whose contribution is considered to be outstanding. Since the award was introduced in 2016, eight colleagues have benefited from it and some have followed a wide range of courses in prestigious schools and institutes such as MIT in Boston, the University of California, Harvard University, and London Corporate Training (LCT). Other colleagues chose to undertake a short placement in an international organisation or a Supreme Audit Institution. Staff at managerial level are encouraged to take part in executive training organised by external training providers (such as Hertie School of Governance or the European University Institute).

In addition, ECA auditors can apply for a one-year training programme organised by the ECA in cooperation with the University of Lorraine. At the end of this programme, they will be able to obtain a Postgraduate University Diploma in ‘Audit of public organisations and policies’ and a Master’s in ‘Public Administration – Management of public organisations.’
We also organise knowledge sharing activities under different formats, such as practice-sharing sessions (presentations by audit teams of the work done for Special Reports), Savoir+ presentations (short informal presentations on any topic of general interest), the Lorraine cycle of presentations (presentations of the master’s theses written by colleagues who have followed the Lorraine University programme).

Last but not least: every year we organise a one-day event dedicated to training, a celebration of learning that symbolises the importance it has for us at the ECA. The training day is organised around a main theme developed by an external speaker of repute. Several workshops led by internal or external trainers complete the day. Auditors from other Supreme Audit Institutions participate as well, and share their knowledge on a given topic. The annual training day has become a landmark event at the ECA.

What do our statistics show?

Building on guidelines published by the International Federation of Accountants, the ECA has set itself the target of providing an average of 40 hours (5 days) of non-language professional training per auditor per year. For all other staff, the ECA aims to provide an average of 16 hours (2 days) of non-language professional training per staff member per year. In 2017, as in the year before, these targets were exceeded: the average number of professional training days per auditor was 6,7 and the average number of professional training days per non auditor was 2,3.

And the future?

The importance the ECA attaches to training is demonstrated by the richness of its training programme, the variety of the courses and information sessions offered, cooperation with academia, and staff participation in the provision of external training. Our institution’s vision is to become a recognised centre of excellence in the field of public audit, a modern and dynamic organisation where staff are empowered and committed. Professional training is one way of transforming this vision into reality, and it will continue to play an important role in shaping our institution by providing knowledge at the right moment and in the right format.
Blended learning: seizing the opportunity
By Paul Schilling, Sonia Ben Abdelhafidh and Nicolas Neymann, of Deloitte Tax and Consulting

Professional development is important for each audit organisation, be it in the public or the private sector. Being a key player in the private audit sector, Deloitte provides training both internally and externally – including to ECA auditors – and can serve as a mirror of how training is designed and delivered in a public audit body. Paul Schilling, Sonia Ben Abdelhafidh and Nicolas Neymann, respectively director, manager and analyst at Deloitte in Luxembourg, outline below why training is crucial to organisations, how a blended approach leads to the best results, and how organisations can build on this to develop into and remain best-in-class learning organisations.

Constant evolution of our professional environment necessitates lifelong learning
The constant evolution of our professional environment increases the need for an efficient lifelong learning in organisations. Changes in the regulatory environment as well as in market or stakeholder expectations make it crucial to build and retain critical knowledge and competences. Companies and organisations of all sectors are affected by this: in practice, human resources (HR) departments are challenged by setting up new and innovative trainings while, at the same time, keeping the cost for staff development under control. They are facing increasing volumes to handle as well as an emerging pressure from the regulatory side. It is therefore essential to be able to rely on a robust and rational framework when coordinating the learning function in an organisation and to take into account the latest market innovations. Best-in-class learning designers are combining new digital opportunities with subject matter expertise, building on well-known principles of andragogy to minimize attention loss of the learners.

Training as key success factor in organisations
Primarily, employees need training for their individual development and as a motivation booster. In addition, clients of audit firms increasingly value the training of their advisors, further driving up quality, safety and even trustworthiness. But organisations may have also other reasons to train their employees, such as regulatory training obligations.

Motivation booster
Employees are demanding for an increase in training volume. Academic research on motivation sources demonstrated that there are much better and more sustainable incentives than money alone. Training, when seen as a reward, acts as an unsuspected motivation trigger for employees. A 2012 survey found that out of 10 college
graduates, seven consider ‘growth and development’ as their top professional priority. Training becomes a way for organisations to demonstrate their care for their employees and to encouragement of their progress. Training is no longer perceived as a burden or obligation, but much more as an organisation’s supportive approach to enable its employees to grow and walk together towards goals that are more ambitious.

Changing the lens to consider the client’s perception of training, gives another reason to invest in learning. Actually, the impact of letting them know that their advisor’s knowledge is maximised and maintained at the edge is powerful. The positive effect towards the client is positive, regardless of whether the company is creating positive noise about this training or indirectly induced by the employee through an explicit ‘out of the office’ automatic reply. This information reinforces the perception of great value from the clients’ perspective and the trust in their service provider.

**New regulations, new requirements**

As a matter of fact, the European regulatory framework is constantly growing in complexity. Regulators increase their expectations in terms of staff’s knowledge and competencies and consequently regulations are increasingly outlining training obligations. These requirements affect a large set of employees within the whole organisation and represent a substantial challenge for corporations and institutions of all sizes and sectors, including the audit sector.

When the European Parliament and the European Council launched the second Markets in Financial Instruments Directive (MiFID II) and the Mortgage Credit Directive (MCD) for financial institutions, audit firms were not left out. In 2014, the regulator refreshed the 2006 Directive on statutory audit and released both a directive (2014/43/EC) and a regulation (537/2014), putting an emphasis on lifelong training. In particular, Article 13 of the Directive covers ‘continuous education’ and states that ‘statutory auditors are required to take part in appropriate programmes of continuing education in order to maintain their theoretical knowledge, professional skills and values at a sufficiently high level.’ In practice, statutory auditors have to follow trainings in order to possess and keep up-to-date an appropriate level of knowledge. These trainings are not only of regulatory nature but also about covering technical competencies of daily use.

Leveraging on this unveiled opportunity, organisations set their training strategies, going beyond regulatory training and taking into account all development options available to enhance the quality of the provided services and the competences of their employees. Therefore, companies increasingly train in ‘softer’ areas like ‘cultural change awareness,’ ‘the power of coaching and feedback,’ or ‘fighting against cyber-attacks in the workplace.’ Given the complexity of many of these topics and the fact that, ideally, their application is adapted to the specific working environment, tailored programmes are becoming more and more common.
A blended approach to maximize results

The second challenge lies in the smart application of new technologies on traditional learning techniques. On one side, digitalisation makes it simple to spread learning content widely. On the other side, classroom trainings are under deep mutation. At the junction of both, blended learning represents a clear opportunity to address the upcoming training challenges.

**Digitalisation**

Learning solution providers make a wise use of digitalisation to address the aforementioned challenges. For instance, organisations are increasingly propagating theoretical content through digital means, i.e. e-learning sessions, webinars, or recorded conferences. The low marginal cost of e-learning is its main strength: non-synchronous trainings are the simplest training delivery format when it comes to the training of new learners, e.g. new joiners. High-end digital trainings, based on the principles of andragogic story lining, have however one consequent drawback: their initial cost and the technical expertise they require make them hardly accessible to small and medium sized firms – at least if they are meant to cover non-standard topics for which the cost cannot be mutualised across a larger number of firms.

**Rethinking classroom trainings**

Actually, training digitalisation has also lead to a rethinking of classroom training design. The traditional model, where a teacher merely explains one by one their theoretical slides, does neither suit learners’ expectations nor organisations’ anymore. This costly and dusty way to transfer knowledge suffers from the non-respect of the principles of andragogy and loses gradually ground to more interactive ways of face-to-face training methods. In particular, trends foster learning solution providers that elaborate on their field of expertise way beyond their scripts, building on a true understanding of the field. They view themselves as learning facilitators instead of mere training providers: their role is not to transfer knowledge but to ensure that participants discover and internalize the knowledge themselves and understand how to apply it afterwards.
Combining both face-to-face and digital trainings in a blended learning approach, organisations get an opportunity to create synergies and increase the training impact on their employees. Blended learning is indeed an appropriate way to rationalize training costs in a more demanding context. For example, trainings with a broad audience e.g. on conflicts of interest or policies are particularly suitable to successful transformation into blended paths.

There are several ways for an organisation to implement blended learning: it all depends on the objectives. While some organisations settle for online document repository to complement their classroom trainings, best-in-class training providers use classroom trainings for real learning experiences rather than for delivering theory that could be assimilated remotely. They think about the entire training process, taking the opportunity to reengineer the training strategy and build curricula that associate the cost efficiency of digital learning and the high-end value of classroom trainings.
Blended learning: seizing the opportunity continued

The training offering evolved appropriately to keep yielding results

The last challenge worth mentioning is ensuring that all means of successful training are appropriately applied in order to engage the audience, ensuring the relevance of the content for the training participants and being agile to adapt to specific needs of a training cohort.

Building knowledge and experience in an engaging way

Blended learning provides an appropriate framework to go beyond the mere delivery of knowledge. Typically, top-notch training providers deliver theory through digital means and hold classroom time for practice, leveraging on two advantages: Firstly, the digital part, reviewed and updated in a thorough process involving both instructional designers and subject matter experts, draws on high-quality content. Secondly, they set the scene for efficient organisational learning by empowering employees to share their experience and disseminate knowledge in highly interactive and instructive sessions. This way, learners become actors of their own training.

Ensuring relevance

In addition, variety in employees’ education, background and experience make it more difficult for organisations to assess the staff’s knowledge and competence. Also, overlapping regulatory training obligations reduce the visibility on employees’ actual training needs. Different regulations are increasingly pushing for training on one and the same topic (e.g., ‘ethical behaviour in the financial sector’) and thus if such compliance trainings are not coordinated by the same person or at least department, organisations quickly run the risk to propose redundant trainings. Through a diligent assessment of learning needs, organisations can better target and tailor relevant content to the respective audiences, monitoring risks and ensuring a real impact on participants’ daily tasks. New technologies make it easier for organisations to deliver such an assessment and eventually tailor the training contents, thus optimizing their training impact.

MiFID II (Markets in Financial Instruments Directive) as an example increased significantly training requirements in the financial sector. In order to best support banks and other players in the financial industry to identify and monitor their training and development needs, we designed a comprehensive and objective training needs assessment that helps to identify the knowledge gaps in an organisation. Instead of corporations training their entire staff following a one-size-fits-all approach, this supports organizations to have a detailed overview of learning needs by employee, which can be translated into a holistic learning plan for the organisation.
Offering agility

Finally, training providers are pushing themselves to be flexible and agile in order to propose tailored training solutions to their customers. Even off-the-shelf training content can be easily customised to respond to particular needs. Some providers even go even further in terms of customisation and have designed processes to co-develop tailored courses, hand-in-hand with organisations. Digitalisation has made it easy to adjust learning contents to the audience’s expectations and create highly individualised learning paths. New approaches set feedback as a key element to address the concerns of participants effectively. Trainings become dynamic and scalable, aiming at continuously enhancing their impact.

Corporate learning as a lever to organisational success

In a nutshell, recent innovations in training lay out strong opportunities also for the audit sector. Organisations will have to reassess their training strategies both to match new expectations and to make better use of the new distribution channels. Neglecting training is not an option anymore: appropriately attracting and retaining talents becomes indeed a crucial matter to sustain the organisational success – and corporate learning is certainly a lever in this quest.
Providing training has increasingly become a multi-faceted activity involving several steps and approaches. Slawomir Kozlowski, who joined the professional training team in 2017, sheds some light on the different aspects that come into play when realising the different components the team is responsible for.

‘New year, new challenges’– under this premise the professional training team rolled up its sleeves this year to provide the best training service to their colleagues. As in many areas of the ECA we also underwent transformational changes. In the last few months, the team composition has changed considerably and the implementation of the new EU Learn platform reached cruising speed, which made for a steep learning curve for the new team members themselves.

**EU Learn platform**

One of the new functionalities of our system called EU Learn, enabling you to register for training, is the ‘pre-booking’ option. If a course date is not yet published, or the proposed dates are not suitable, we can use pre-booking to receive an automatic update as soon as a new session appears in the ‘Catalogue.’ This also helps course managers estimate the demand for a specific course. Some new features are now also available for internal trainers. They can see the list of participants in their courses, as well as the participants’ evaluations.

The European Commission has recently introduced a new version of EU Learn called Portal. The link is available for ECA staff on the Intranet section of Professional Training. The content of the ‘Catalogue’ is the same, but this new version will be available also on portable devices, e.g. tablets.
Providing training in a modern format to new and senior colleagues

ASPIRE programme

Newcomers join the ECA each year and receive compulsory training depending on their job profile. The training programme for new auditors is called ‘ASPIRE’ and allows newcomers to acquire compliance and financial audit experiences as well as performance audit experience in their first three years at the ECA. For more information also see the article zooming in on ASPIRE on page 26.

Regular and ad-hoc training

Each year the professional training team also prepares a wide choice of courses based on the published annual training programme and the current needs of ECA staff. Part of the training offer consists of recurrent courses. They are regularly modified to ensure their content is up to date and their choice is continuously broadened.

The other part of the training offer are the ad-hoc training courses and presentations. Their organisation is particularly demanding, as they generally involve the participation of external experts and each of them has a different format. Most of them are organised by our colleague Dimitrios Vavatsis who has the following comment: ‘The key word in this work is swiftness: we have to navigate between the requesting services and the external experts, we have to react quickly, to secure the dates, to provide explanations to our guests, sometimes to negotiate their participation. At the same time, it is highly rewarding: we have the chance to meet important personalities from different fields of activity, we discover new topics, we learn new things. And there is no greater satisfaction than to have a full conference room and to see happy faces leaving the room after an inspiring talk.’

Another important training we have to provide for our staff is the HEAT training (Hostile Environment Awareness Training). This training is aimed at preparing staff that undertake audit missions in third countries for the many risks and challenges inherent in operating in unfamiliar and often risk intense environments worldwide. As Dimitrios explains: ‘Attendance of a HEAT course, which is compulsory for staff before going on an audit mission in a risky environment, ensures that the employer’s legislative responsibility to provide training is fully met and that all attending staff are fully prepared for their deployment to locations of elevated risk. This training is provided externally by accredited providers and we make sure that our staff can attend it.’

Information on the training courses that we organise is sent via e-mail invitations directed to the interested groups, but it is also available on the ECA’s internal network section ‘Training courses,’ the ECA Weekly internal newsletter, the screen at the entrance to the training rooms, and, of course, the EU Learn Catalogue.

E-learning courses

The ECA has developed three online courses for the main types of audit: Performance audit methodology, Financial audit methodology and Compliance audit methodology. They are part of the compulsory training program for newcomer auditors, as they provide a good introduction to the ECA’s audit approach. At the moment, these courses are available only to the staff of EU institutions, but the ECA is preparing two projects to also disseminate them to national Supreme Audit Institutions. One project aims to publish the online courses on the external website of International Organisation of Supreme Audit Institutions (INTOSAI), the other will also include an additional live video session with input of ECA staff.

Another ECA e-learning course commonly used by newcomers is the ‘Presentation of the Court of Auditors.’ It contains six modules on ECA’s role and organisation, HR, training, Eco-Management and Audit Scheme (EMAS) and the ECA’s ‘Staff Committee,’ representing ECA staff members. Its content is currently updated and a new design will be available soon.
Providing training in a modern format to new and senior colleagues continued

Colleagues who do not manage to participate in classroom sessions can check the EU Learn Interinstitutional catalogue. There is a rich variety of online courses made available in many knowledge fields (e.g. IT skills, Mind Mapping, Communication, HR etc).

The financial side

An essential part of our work consists in financing the training courses that we offer and in financially supporting our colleagues who follow external training. This part, which is covered by our budget officers Elke Trefz and Chantal Jesson, requires a considerable amount of administrative work and an eye for detail. As financial procedures are very complex, many different rules need to be observed and compliance with these rules has to be checked. As Elke explains: ‘For the internal training courses, we use a number of interinstitutional framework contracts concluded with different training providers. For each course that we order, we have to check very carefully that all financial documents are correct and issued on time. Apart from this, we receive many requests from colleagues who wish to attend external training courses or conferences on specific subjects. We need to receive the eForm requests in time to be able to go through all the administrative steps and, if possible, to catch the early bird discounts. We check the registration process for each individual case and we enrol colleagues directly or make reimbursements in the case of self-registration. We also have to make sure that we receive an attendance certificate from each participant after such external events.’

The ECA clearly encourages its auditors to obtain audit certifications and supports them in this respect. Our colleague Chantal manages the requests for reimbursement of professional membership fees: ‘Auditors pay the membership fees themselves and we reimburse them half of these fees for up to two certifications per year. This is however only possible when the colleagues send their requests before the end of the calendar year. We also offer financial support for passing exams in order to obtain an audit certification. As for other external training requests, an eForm needs to be introduced beforehand.’

Logistic support for organising training

Organisation of each training event involves a considerable amount of logistical planning, and the course administrators put their hearts into making sure that everything runs smoothly. Our colleagues Nathalie Caron and Katerina Weyand elaborate on that: ‘Our work is varied. We organise internal, external and interinstitutional training events and also seek to cater to any specific training needs our colleagues may have. Once the date of a course is fixed we step in: we book the room, we prepare and send the invitation, we liaise with speakers as well as the technical services, security, protocol and communication staff. For the day of the course itself, we prepare the rooms, we manage the presence lists, we are present to assist participants if needed and we see to many details. On the administrative side, we manage the scheduling of training events and staff participation via our IT training system EU Learn.’

Communication is another crucial aspect: we promote training activities, respond to queries from colleagues and try to find the best way to satisfy their training requirements. Natalie and Katerina specify: ‘We are in contact with the training units of the other EU institutions and we coordinate with them for interinstitutional courses or for facilitating staff participation in courses organised by one or other institution.’

Keep on learning and reaching your potential

Working for and with professional training is a most rewarding job: by providing and facilitating training and knowledge exchange we help the organisation as a whole towards performance and innovation. And we play a role in each individual’s professional development. It is of utmost importance to provide our ECA colleagues with access to the means to keep on learning and reach their potential.
New auditors and ASPIRE

Newcomers join the ECA each year and receive compulsory training depending on their job profile. The training programme for new auditors is called ASPIRE, which stands for ‘Admit, Start, Prepare, Initiate, Rotate and Expand’. Its timeline is adjusted to the two main waves of recruitment, one in spring and another in autumn. Optimally, directly after starting their job at ECA, the newcomers follow a set of training courses organised to introduce them to the ECA’s standards and refresh their audit skills for the coming missions. If a newcomer is recruited later, e.g. due to previous job commitments etc., she or he has to wait for the next training session. The aim of offering all trainings right at the beginning of the programme is not yet achieved in all cases, because the planning is still challenging since the participants are immediately submerged in the audit work. But the ECA is working hard towards that objective.

ASPIRE is designed to be a long-term programme. After an initial set of courses, the new auditor will attend a chamber specific training, acquire on the job experience and follow courses to improve his report drafting skills. Eventually he will be encouraged to obtain audit certifications (like Certified Government Auditing Professional or Certified Internal Auditor) and/or to take part in the postgraduate studies organised by the ECA in cooperation with the University of Lorraine.

The flagship part of the compulsory training for newcomer auditors is the four-day course ‘The Court of Auditors’ audit approach’. It consists of around 20 presentations delivered by internal trainers from different parts of the ECA. It provides a comprehensive overview of the ECA’s activities and relies on the audit experience of senior colleagues from all audit chambers. A part of it is devoted to the practical exercise recreating the environment of an on-the-spot audit visit, where trainers play the role of auditees and participants carry out mock audit activities. Almost all the compulsory training courses for newcomers are
delivered by internal trainers – more experienced ECA colleagues willing to share their knowledge. They receive also technical support from the professional training team, for example by providing voting devices, which can make courses more interactive.

Testimonials ASPIRE participants

We sought impressions, experiences and feedback regarding ASPIRE from Janka Nagy-Babos, working in the Directorate Investment for Cohesion, Growth and Inclusion, and Flavia Di Marco, working in the Directorate Regulation of markets and Competitive economy. Janka and Flavia both joined the ECA in October 2017 when the second wave of ASPIRE-recruits started their ECA audit careers.

Background:

Janka studied international economics and has a Master’s degree in entrepreneurship and business administration. She previously worked in the private sector in Romania and in the European Parliament in Luxembourg.

Flavia has previous professional experience in international and European organisations, public administration and the private sector.

Janka and Flavia choose the ECA because:

Janka: ‘To contribute to the public good. I enjoy the challenging and motivating working environment at the ECA. And I had a good understanding of this organisation thanks to my previous professional experience with the Budgetary Control Committee’s activities at the European Parliament.’

Flavia: ‘I became interested in audit when my previous organisation was subjected to an audit. It was my first experience with the audit profession and I found it very interesting. When I saw the chance to do this work at European level I immediately applied.’

Worked on:

Janka: ‘In the course of the ASPIRE programme I assisted the ECA team coordinating the compliance audit work in our Directorate with a research on beneficiaries’ compliance with eligibility criteria. I also worked on the reliability of accounts, analysed the ECA’s recent publications in order to prepare a briefing, and helped to update the ‘Cohesion and Regions’ policy scan. Now I am part of a performance audit team which analyses the anti-fraud measures in EU Cohesion Policy spending.’

Flavia: ‘I am part of the team doing the audit of the Agencies and Other Bodies of the European Union. A very interesting and diverse audit area. But also demanding, as we are responsible for the audit of all the very specialized and sometimes technical EU agencies and executive agencies, and other bodies. Totalling more than 50 organisations that are located in all corners of the EU.’
What about the ECA?

Janka: ‘I like that the ECA is always ‘on the move,’ it follows the latest developments on the various EU policy areas, and listens to the concerns of EU citizens. At the ECA you get the opportunity to apply innovative audit methods and techniques, and you can continuously develop your skills. On a more personal level the ECA provides many opportunities (such as audit certification and postgraduate training, knowledge sharing sessions and conferences), and colleagues are helpful and supportive.’

Flavia: ‘I think working at ECA is a great opportunity to help ensure that the European taxpayers’ money is well spent. Being an auditor at the ECA gives a unique chance to make an impact on the lives of more than 500 million EU citizens.

And what about the ASPIRE programme?

Janka: ‘The ASPIRE programme improved my auditing skills and fed my drive to question things and analyse them critically – applying professional judgement – before accepting them as facts. Moreover, it taught me that working together, sharing ideas and best practices, and applying the same approach within a task is of primary importance in audit, and to achieve this, one needs clear communication, and good multilingual and negotiation skills.’

Flavia: ‘The idea behind the ASPIRE programme is really good and I think it is a perfect way to integrate into the ECA, to learn about the ins and outs of its audit work, and to gain in-depth insights into the framework in which the different EU institutions operate. The fact that you start at the same time as the other Aspire participants of your recruitment wave was fundamental to create a pleasant working environment right from the start.’
Doing an internship at the ECA: ‘Not just coffee and Excel sheets’

By Michael Pyper, Directorate of Translation, Language Services and Publication

In general twice a year, the ECA welcomes many young people from all over Europe for an internship in one of its different directorates. Whether they are working in the audit chambers or in the translation teams, on the IT helpdesk or in the library, the interns are an indispensable help for the ECA’s regular staff. But who are these enthusiastic and ambitious people? And why did they apply for an internship at the ECA? Time for Michael Pyper to interview the ECA’s latest recruits.

Various walks of life

Each year, the ECA recruits around 50 stagiaires or interns from all over Europe, typically for a period of five months. The two main intakes are in September and February. Interns are usually either just finishing their studies or already have a year or two of professional experience behind them. While prospective ECA interns do not need any audit experience and can come from various walks of life, an academic background in a business or finance-related area – economics, finance, accounting or business administration and management – was a common denominator among our interviewees.

Four current ECA interns shared with us their experiences of internships as a form of learning. They are Anna Gronska (Directorate Financing and administering the Union), a graduate in accounting and finance from Poland; Charles Crowley (Directorate Audit Quality Control), an economics graduate from Ireland; Josef Sevcik (Directorate Regulation of Markets and Competitive Economy) from the Czech Republic, who has a degree in business administration and management; and Lisa Schumacher (Directorate Regulation of Markets and Competitive Economy) from Germany, who is studying international management.

Additionally, each year the ECA welcomes auditors from the Supreme Audit Institutions (SAIs) of EU candidate countries within the framework of our cooperation with these SAIs, likewise for a period of five months. In recent years, the ECA has hosted numerous visiting auditors from Serbia, Albania, FYR Macedonia and Turkey.

We interviewed Eni Kabashi (Regulation of Markets and Competitive Economy Directorate), who boasts an impressive three Master’s degrees (in business law, finance and banking management) and has been working for the SAI of Albania for four years; and Jovan Dabovic (Financing and Administering the Union Directorate), who has a Master’s degree in economics and has been working at the Serbian SAI’s Novi Sad office for three years. Both Eni and Jovan were selected as interns following a recommendation from the heads of their respective SAIs, and stressed their gratitude for this opportunity.
International experience

The interns all had their own reasons for applying to the ECA. Anna’s interest in audit, for example, grew out of her studies in accounting, and she had already decided on a career in audit by the time she graduated. She is currently also undergoing the qualification process for the Polish Chamber of Statutory Auditors and, what’s more, has already registered for the upcoming EPSO audit competition. Josef’s interest was piqued last year when he attended a presentation given by ECA staff at his university.

Lisa, who has previous experience with NGOs, had noted the ECA’s work in assessing the effectiveness of humanitarian aid. A combination of the current EU climate, shaped by Brexit and uncertain financial markets, and the ECA’s role as an independent auditor ensuring transparency in EU finances, was what appealed to Charles.

However, there was a common thread running through all of the interns’ motivations: the desire to obtain experience in an international environment and the learning opportunity this represents. Lisa, for example, explains: ‘I really wanted to work for an international organisation, and the EU was my first choice. I had worked for a German NGO and felt that it was limited to the German environment and way of thinking. I felt that the EU would combine a number of different national ideas into a broader perspective.’ Of course, as Charles points out, this international experience also has benefits at a personal level, allowing the interns to broaden their horizons and leave their comfort zones, as well as making friends and professional contacts from all over Europe: ‘It completely changes you as a person.’

Best practices

For Eni and Jovan, who are already experienced auditors, international exchange has a slightly different emphasis: exposure to another audit environment. As Eni explains: ‘I am certain that I will be able to use the things I learn here in my home institution. In the Albanian SAI, we have a new system called ‘Rev Zone’, which is in the first year of its implementation phase and is being used in three pilot audits. The system you already have in place at the ECA is similar, so the more I can learn about it while I am here, the better.’ Similarly, Jovan adds: ‘I am very interested in financial and data analytics and the relevant programmes used in finance and auditing. The Serbian SAI uses a programme called IDEA, whereas the ECA uses Audit Command Line (ACL), which I will have the opportunity to learn to use while I am here.’ And, as Eni explains, secondment to the ECA gives visiting auditors from the Serbian and Albanian SAIs insight into best audit practices here at the ECA and the opportunity to disseminate and apply these upon returning to their home institutions.

Not just coffee and Excel sheets

We asked our interviewees what they had expected from their internships before they started – the good, the bad and the ugly – and whether their experiences to date had lived up to their expectations. A notable response came from Josef and Charles in particular, who confessed to having felt a certain degree of apprehensiveness, with visions of the stereotypical internship spent doing menial support work such as making coffee.
and punching data into Excel sheets. All the interviewed interns were pleasantly surprised by the degree of responsibility they had been given from day one. Charles enthused about his experience to date in the Directorate for Quality Control: ‘I’m working on one of DQC’s biggest projects ever, transforming our IT system. The ECA has really challenged us and I love challenging work. We are at the cutting edge of the ECA’s day-to-day work, which I didn’t expect.’ All of the interns have become integral to their respective teams and have real responsibility, whether reconciling the EU’s accounts, as Jovan is doing, or auditing EU revenue and expenditure like Anna does. Lisa and Eni also cite going on mission as another invaluable hands-on learning experience, one which brings to life the ECA’s audit work and makes all the audit documentation that little bit more tangible. Lisa has already been to the Commission in Brussels, an experience she describes as ‘impressive’, while Eni will have the chance to visit Finland, Ireland and the Netherlands.

**Mentoring and support: ‘The doors are always open’**

Another way in which the ECA has exceeded the interns’ expectations has been, as they describe it, the ECA’s ‘friendly corporate culture, and the way colleagues have welcomed and supported us.’ Charles explains: ‘As a relatively large institution, I thought the culture at the ECA might be very closed-off and hierarchical, but I found that in the directorate I work in, Audit Quality Control, I could knock on the Director’s door at any time and ask a question. I’ve been very lucky with my team and my mentor.’ He indicates that, in his directorate, the approach to training interns is to throw them in at the deep end with their work. ‘But they are there for you the moment you come up against any hurdles.’ The others echo the view that, at the ECA, doors are always open and there is no such thing as a stupid question.

While each of the interns will follow a programme of formal training agreed with their respective mentors (for example, Lisa had just finished a three-day course on ABAC, the Commission’s accrual based accounting system), Josef offers the following observation: ‘From my point of view, the best training is to look at the people around you and see how they work. I have been incredibly lucky to be able to work with my mentor and colleagues. They are all very inspirational people.’ Anna is equally enthusiastic: ‘I work with a great team – auditors with vast knowledge and impressive professional experience, and they have entrusted me with very interesting tasks.’

**Advice to future interns**

In conclusion, then, the interviewees seem to agree that ECA internships provide a unique learning experience by giving interns real work and responsibility in an international setting. And all this within a friendly and supportive culture where they can feel free to learn from expert colleagues by observing them in action or actively seeking out their help and guidance when they need it. ‘That’s the best way to learn, in my opinion,’ says Charles. This, combined with the camaraderie among the interns as a group, explains why they were unanimous in recommending the experience to others.
Rosi Drago started working at the ECA in 1986 in the private office of the first Spanish Member. After almost 10 years she transferred to the external relations department, and went from there to the EDF sector, which is now part of Chamber III.

At the last estimate, well over 100 members of the ECA’s staff were formally involved in delivering training for their peers, either on a regular basis or more occasionally. They come from all nationalities, directorates and backgrounds and are a fair representation of the institution’s diverse demographic make-up. Tom Everett spoke to two internal trainers with particularly interesting profiles and asked them just what it is they do and what makes them tick.

The two trainers I met to talk about their work have taken contrasting training paths. Rosi Drago provides general training in the administrative field and began out of a desire to share her experience, while Jesús Nieto was recruited to the ECA as a technical expert and works much more intensively in a highly specialised area. What the two have in common, however, is an infectious commitment and enthusiasm, and both emphasise the benefits to themselves of providing training. The differences between them demonstrate that there is no standard job description for trainers. A range of profiles is needed to help keep the ECA up-to-date and running smoothly.

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Monitrices

Rosi is the last remaining member of the original cross-sector team of monitrices, which was set up in the late 1980s to train and guide the secretarial staff of audit units in their everyday tasks. The monitrices provide training and workshops on, for example, document preparation and formatting and the intricacies of the ECA’s in-house applications. They are especially useful for newcomers to the ECA, who may often be overwhelmed by the complexity of internal procedures.
In her first few days at the ECA, says Rosi, she was largely left to fend for herself, with minimal training and no idea where to go for the most basic information. She laughs as she recalls being puzzled that her Member would receive documents in a seemingly haphazard range of colours, and wondering how to obtain even the most basic office supplies. In retrospect, however, she emphasises that life before the ECA started going paperless was somehow far simpler than it is today.

Rosi eagerly welcomed the opportunity to share what she had learned with newcomers – first as a monitrice and then, in 2012, by helping to prepare the programme and materials for the new 'document lifecycle' training course. This course was first piloted for all AST staff in Chamber IV, and the training team consisted of the monitrices and other experienced assistants. The course was a great success with staff and was soon included in the ECA's general training programme. Rosi is still involved in this task, which essentially means organising training sessions once or twice a year with a group of colleagues. She gives her presentations in French, working in tandem with a colleague who provides the same information in English. Since last year, she and Magdalena Madej, another monitrice, have also organised workshops to help assistants and any other people interested in using Office applications to prepare work documents.

**Shaping the work of the ECA**

Rosi finds this specific aspect of training very useful in that it compels her to keep up with the latest developments at the ECA (new applications, templates, procedures, etc.). In parallel, she and the other monitrices are often consulted for their views and given the opportunity to test new developments in IT. In this way she feels that she plays a role in shaping the way the ECA works.

The participants in Rosi’s training sessions generally provide very positive feedback, since the training addresses specific practical needs. The workshops also give participants a wider view of the ECA’s work, beyond what they will typically experience in the department to which they are assigned. In this way, the monitrices system may provide an efficient channel of support for the horizontal mobility of AST staff. Thanks to the welcome desk, the system of mentors and DIWI help with passwords etc., newcomers now receive much more support than in the old days. However, says Rosi, most areas are also far more complex than in 1986, and it is harder to obtain an overview of the institution as a whole.

**Learning from helping others**

Rosi sees herself not as a trainer but as a facilitator: her many years at the ECA have given her valuable experience in finding solutions which she can pass on to others. She laughs [again] when she says she has thought about stepping aside, but she enjoys the diversity and challenges of the monitrice’s role and feels she still has much to contribute.

What is more, she points out, being involved in training has been very beneficial for herself. ‘I highly recommend the experience because, quite apart from the satisfaction of helping others, it has taught me many things that have helped me in my own professional development!’
Jesús Nieto has a physics and IT background. After a few years at other EU institutions, he came to the ECA in 2007 as an IT auditor. He works in the Directorate for Audit Quality Control (DQC), where he delivers technical support for audit.

Visuals and data mining

Jesús’ current responsibilities include two regular training courses. One, offered since 2014, is on the use of visuals in reporting and is open to all staff. The other, which he delivers with ECA colleague Ivo Koppelmaa, is for auditors only, began in 2011 and concerns data analysis techniques for audit. ‘At the time,’ he says, ‘the buzzword was data mining, so that is the official name of the course.’ He is adamant that, rather than use external contractors, it is far better to produce and run courses in-house. In his view, good external trainers are usually experts on a specific tool, but this can produce unwanted ‘noise’ in the form of unnecessary material. ‘Auditors need very precise instructions on how to achieve what they want to achieve in the 13 months they have to carry out an audit. And people from outside don’t know our audit processes.’

A born philosopher, Jesús prefers to call his visuals course ‘illustration for reports’ to help convey the Platonic idea that the use of visuals throws additional light on a text. The course generally lasts just half a day, and he presents it in tandem with the report-writing course developed by staff in translation and quality control. He stresses that courses on how to present visuals and text are complementary and part of the same narrative. To underpin this idea, he also has a short slot on the one-day report-writing module that is part of the ECA-Lorraine University postgraduate diploma.

The pics for free

The visuals course demonstrates the importance of organising training in the form of practical sessions. ‘You cannot develop training only by reading books,’ says Jesús. He tries to avoid too much theory and focuses on the narrative aspect, because ‘auditors increasingly do not have time to lose’ and require clear and precise ideas. For him, a chart is the equivalent of one paragraph of writing. ‘At semantic level they are equal.’ Each graphic must seek to answer a single question and convey a single message, the details giving only supporting information. This idea is at the core of his training. Jesús also emphasises the ECA’s approach for its publications: ‘corporate encouragement to illustrate, and to illustrate better’. Speaking of the annual report, he says ‘An additional motivation is that the maximum length of a chapter is now given in words, not pages, so you can add illustrations for free.’

Rewarding

Jesús finds it very rewarding to work as an internal trainer. One major benefit is the feedback from auditors. ‘In every edition you get different feedback that you can incorporate.’ He has also learned a good deal about how to improve the force of communication by organising, streamlining and condensing course content. He currently runs his courses in three versions of different lengths. ‘When you cut from three hours to 20 minutes, you have to learn how to get rid of everything that is secondary: how to summarise, summarise, summarise.’ To make his point, he pulls out his ultra-condensed ten-point checklist for illustrations, which highlights his Platonic vision of illuminating through ‘truth, the good and beauty.’ Succinctness also informs his use of materials in training. Background materials should be used for support only. ‘People appreciate when you don’t prepare and present your Powerpoint presentations like a report. They are different things and serve different purposes.’
Utilising the momentum

Jesús’ other main course is on big data and data mining. Data analytics for audit has been around for a long time, but now, he says, ‘Big data is hot and big data is everywhere. The momentum is gaining critical mass, and top management is aware of that. Sampling is old-fashioned, something you do because you cannot reach the whole population.’ Data mining, on the other hand, ‘gives you tools which you can use to accelerate your work. And by going faster you can go further, beyond sampling just a few projects, to conclude on what is happening all over Europe.’

The immediate gains include a far greater variety of data. Not just numbers, but text and images. For example, intelligent data mining can be used to scan hundreds of documents far more swiftly than any auditor, filtering them for concepts or ideas. Graphic visualisations are then a very effective means of analysing the results. This is where the auditor’s judgement enters the picture. ‘The data results are mathematical only. You have to be aware of the noise already in the data or that you introduce with your models. Think like an auditor to find causality, since the tools will give correlation at the most.’ Human discernment remains an indispensable part of the audit cycle, together with other quality control procedures, to confirm or invalidate the raw data findings.

Jesús has no doubt that the benefits of data mining for audit mean that it is here to stay. In the ECA context he is excited about ECALab, the new initiative of the Directorate of Information, Workplace and Innovation involving enthusiasts from all departments to help auditors use big data more efficiently and effectively. He is hopeful that this will crystallise into ‘something like a strategy, bringing quick wins and serving mid- to long-term goals. Now is the moment: we have the support from the top, and it’s growing!’
For eight years Nancy Batens has been the trainer for the head of task team leadership course at the ECA. After having studied translation, marketing and teaching, she started her career as a secretary at the tax department of Price Waterhouse; this is where she first heard about auditing. For the last 18 years she worked as a trainer for numerous courses in the area of soft skills. Her portfolio consists of more than 50 topics, from ‘Improve your Memory’ to ‘Essentials of Management’. She has, however, selected only a handful to specialise in.

**Tailor-made for the ECA**

The team leadership course at the ECA is originally based on the ‘Lead Your Team’ training that is also given at the European Commission. But at one point the ECA decided to have a programme that is completely fine tuned to the specific needs of this organisation and requested a new course, which was developed in close collaboration with the EUSA. Nancy smiles: ‘Therefore we now have a totally tailor-made course consisting of seven full days of training. A unique offer that does not exist in any other EU institution, so you are privileged.’ On a more serious tone, she underlines that a specific course also makes sense taking into account that the situation at the ECA is very specific. ‘People are changing teams rather frequently, they work together for short periods of time and therefore it is even more important to have this training on soft skills and adapt it to their needs. This also led to added training time to go deeper into specific issues.’

Although she has no formal audit experience, Nancy explains that it is practical to know a bit more about audit, also to be able to give examples participants can easily relate to and to understand the participants’ needs in the application of the theories. ‘Of course, people like it that I know more on how things work here, that I know what financial, compliance and performance auditing means, or how the ECA is structured. I experience the same at the European Commission where I also provide trainings.’
Flexible on the content

Nancy explains that the programme of the task leadership course is not set in stone. ‘We can change it depending on what is necessary on any given moment. However, the main framework is quite fixed and I have a rather strict trainer’s guide that I want/have to follow. There are moments where I add things or I do certain things longer and others shorter when I notice a group or certain individuals need or want to go deeper into a subject.’ She adds: ‘But I cannot skip something. If I see there is a need for something and we do not have the time, I do it during the follow up, for which we have reserved almost a day in the course schedule.

Nancy underlines that the training is built up around a number of key theories and elements. ‘The three most important parts are ‘Listen to your team members,’ ‘Give compliments’ (for insiders also known as ‘fish’), and ‘Don’t believe everything you think.’ In addition to this, we discuss certain theories, for example on the Myers-Briggs Type Indicator.’ She adds: ‘We start from the question ‘how do I function? From there we will move ahead via questions such as ‘how are teams formed,’ and ‘how do they develop’ and ‘how do I best deal with this? The third module is all about communication. One of the most important questions is ‘how do I quickly create trust in audit teams?’ She emphasizes that, because at the ECA team members work together for relatively short periods of time, it is important to build that trust as soon as possible, although trust normally takes some time to grow.

Participants are key

As this course focuses on issues like communication, motivation, follow up, team dynamics and leadership, Nancy Batens expects an interactive participation from everyone. ‘This is essential to maximise the effects of the training. It only works when people attend the course with a certain kind of positive and cooperative attitude. Also because every group is different and every participant is different.’ She explains: ‘In every group there will be a few participants who are not open, yet sometimes somebody can be surprisingly open and put him or herself out there in a rather vulnerable way. That is always a pleasant surprise, because it is not easy and it takes courage. And the people who do so will get the most out of the course’.

Nancy Batens finds these differences between the course participants and the dynamics of their interactions very interesting. ‘Although you cannot stereotype by saying ‘every auditor is careful and risk averse,’ you can see certain similarities of character and behaviour between them, which also shows up in the results of some of the exercises we do.’ She quickly adds that this absolutely is not a bad thing, but that it can make some parts of the training more difficult to do. ‘For example in a role playing game in which you want to work with more divergent personalities. In the course sessions I am doing now I have a number of participants who do not work in audit, like a translator and somebody from a non-audit directorate and since they respond differently it makes the exercises more diverse and more interesting.’
Engagement and encouragement

Nancy concludes that it is very important that participants have the opportunity to put theory and tricks they learn during the training into practice. ‘It is about interaction, about doing it right in real life. And to be able to do so, people need to have an opportunity to practice all aspects of the course. This is relatively easy when we talk about how to manage upwards, so how to manage your boss, because we all have one.’ Overall, she finds that at the ECA people tend to be overly careful when it comes to the hierarchy. ‘But, as they sometimes experience, in practice this is not always as necessary: it is ok to talk to the hierarchy. So we need to show them they can be more courageous in this sense.’

Nancy welcomes it very much when ‘hierarchy’ comes to discuss such issues at some point during the training. ‘In the past we had an ECA Member and a Head of Task, coming to the course to share their way of working together. You could see this often had a very positive influence and that the staff appreciated the engagement and the encouragement of their hierarchy.’

Nancy always prefers them to step in early in the programme, because by doing so, they can make those issues much more tangible for the group. ‘Afterwards I would notice they felt more secure, that there was more interaction. It all comes back to the single most important lesson I try to convey during every training course: A genuine interest in a person is linked to attentive listening. You have to take time for that in whatever position you are.’
Training on leadership – some takeaways
By Marion Colonerus, Directorate Regulation of markets and competitive economy

For an auditor, interaction with people is embedded in the word itself – from the Latin 'audire', meaning to hear. If you are tasked with managing people, this interaction becomes even more important and this is reflected in the training newly appointed managers at the ECA receive. Marion Colonerus, principal manager at the ECA since 2016, shares some reflections on the courses she has done on management training.

From left to right: Beatrix Lesiewicz, Alejandro Ballester Gallardo, Marion Colonerus

Technical or interactive focus

Training courses in a professional environment quite naturally aim, in the first instance, to deepen what I would call ‘technical’ knowledge in specific areas. For some years now newly appointed principal managers at the ECA have also been required to follow an external training course in the field of leadership. I consider this a privilege rather than an obligation. Training courses of this kind can be eye-openers: firstly on how we ‘function’ ourselves. This in turn provides insight into our interactions with other people: why do we interact well with some and less well with others? Courses of this kind are not only beneficial for relationships at work but also for relations in many other environments, be it for example with the family or in a club.

Legend of unknown origin

An old man told his grandson: ‘My son, inside us all there is a battle between two wolves. One is Evil. It’s anger, envy, greed, arrogance, resentment, self-pity, inferiority, lies and ego. The other is Good. It’s joy, peace, love, hope, humility, kindness, empathy, generosity and truth.’

The boy thought about it, and asked: ‘Grandpa, which wolf wins?’

The old man quietly replied: ‘The one you feed.’

The course on leadership usefully complemented the management training course that I followed when I was a Head of Task at the ECA. During the management training course we explored aspects such as: managing priorities, managing conflicts, managing time, communicating effectively, working in teams and motivation.
Being a course on leadership it does not come as a surprise that this external training was all about ‘people’: I have my strengths and weaknesses and I relate to other people that all have their own strengths and weaknesses. In that respect, course participants were reminded of the legend of the two wolves.

As the training course took place in Barcelona, there was no way of escaping a famous personality, namely Antonio Gaudi. Having learned about his motivation, his passion, his vision and his capacity to move people, I look at the famous Sagrada Familia with different eyes now.

**Takeaway messages**

For me some important messages I took away from the leadership course I followed were:

- The motivation that leaders have themselves is what can influence people. *What* leaders do is less important than *why* they do things.
- The importance of connecting with others as people. Remembering this is even more important these days in a result-oriented culture and digitalised environment where we run the risk of focusing too much on screens and less on people.

One of the features of the course was to help participants identify their strengths. While it is rather common for human beings to focus on the negative sides, the weaknesses, it is much more fruitful to identify strengths and build on them. This also requires an understanding of the factors that hinder us from using our strengths. A similar message was conveyed at a recent conference given at the ECA by Jan Mühlfeit ([https://janmuhlfeit.com/en/](https://janmuhlfeit.com/en/)). This message is valid not only for leaders but also for their staff and colleagues: the more we are in a position where we can excel due to our strengths, the higher the performance, but also job satisfaction, is likely to be.

Another important aspect is how we deal with our own failures and with weaknesses in the organisation we work for. For dealing with failures, we looked, for example, at champions in the world of sport. Finding excuses or blaming others will not help us move forward and win the next match. When it comes to dealing with weaknesses in the organisation, it was striking to see on the basis of examples that it is all too easy to act as victim and to disengage rather than to take responsibility and act.

**Reflective note on the why and what**

To end on a reflective note, let me refer to the class discussions we had around the story of Eugene O’Kelly and the book he wrote in the short time left after he was diagnosed with terminal brain cancer. He was former chairman and CEO of KPMG and died at the age of 53. What I retain is the following: As we can easily get caught up in daily routine, it is important to find moments to stop and to reflect on some basic questions such as: ‘Why am I doing what I’m doing?’ or ‘Do my commitments match my convictions?’

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Finding and applying a magic formula

The giant shape of the vast octagonal-based cupola of Santa Maria del Fiore, which dominates the city of Florence, is a familiar sight to visitors from all over the world. Architect Filippo Brunelleschi dared where others had given up, applying the ‘magic formula’ of innovative building techniques based on the principle of self-supporting curved surfaces. Most other architectural enterprises pale in comparison to Brunelleschi’s timeless feat.

Yet designing, shaping and delivering Executive Training also requires an element of innovation, a search for uniqueness, and finding a ‘magic formula’ that sustains the structure of the exercise. The new department of the European University Institute, the School of Transnational Governance (STG), launched in June 2017, seeks to find and apply this formula in order to make its training stand out from the field.

Stimulate ‘out of the box’ thinking

What makes the difference for senior-level professionals is their ability to think outside the box and to anticipate developments by focusing on: approaches to leadership and complex decision-making process structures; making effective use of resources; improving performance and enhancing organisational and strategic capacities, thus enabling the professionals themselves to be ‘initiators of change’. The executive training activities of the STG help to bring about the formation of a unique and dynamic community of transnational governance experts in different key fields.
The STG executive training seminars are designed to provide collaborative learning among participants from complementary backgrounds from all over the world. They allow for knowledge sharing through a combination of scientific expertise and hands-on learning. And finally, they seek to create a platform for interaction with prominent global experts, who deliver courses tailored to specific policy fields.

**Second year’s programme**

During its first year the STG has delivered, among other things, an executive training on ‘Leadership challenged: politics and policy-making in the European Union at a time of crisis’. This course, led by Kalypso Nicolaïdis and Emily Jones (both from the University of Oxford) and José Manuel Barroso (former President of the European Commission) was also attended by participants from the ECA (see interview below).

For the 2018/2019 academic year, the STG has already programmed the following executive trainings:

- ‘Gender and Media’: 26 to 28 September 2018;
- ‘Transnational Regulation, Voluntary Standards and Trade’: 24 to 26 October 2018;
- ‘Climate Finance’: October 2018, date to be confirmed;
- ‘Regional Courts in Regional Integration Organisations’: 7 to 9 November 2018;
- ‘Working with Heritage and Conflict’: 14 to 16 November 2018;
- ‘The Law, Economics and Practice of EU Banking Resolution’: November 2018, date to be confirmed;
- ‘Climate Cooperation and Carbon Pricing under the Paris Agreement’: November 2018, date to be confirmed;
- ‘Cultural Diplomacy 2.0: Transnational Regulations in the Digital Age’: 28 to 30 November 2018;
- ‘Learning from Conflicts: Approaches to Peace-Building and the Role of Europe’: 12 to 14 December 2018.

**Training combining several elements of learning**

These executive training courses combine the presentation of course material by faculty members or external speakers with case studies or simulation exercises. This provides participants from diverse backgrounds from all over the world with the opportunity to share their experience. The core idea is to share complementary expertise and innovative ideas in order to address the unanswered questions posed by transnational governance. Finally, and long after the training sessions have come to a close, participants benefit from a valuable networking experience, both with the distinguished speakers and with the other participants from around the world.

**Six questions to the former President of the European Commission, José Manuel Durão Barroso**

Former Commission President José Manuel Durão Barroso was one of the speakers at the recent EUI training on *Leadership challenged: politics and policy-making in the European Union at a time of crisis*. Martin Weber, Director at the ECA Presidency Directorate, participated in this executive training and used this occasion to ask the former President of the Commission about what he recalls as his main achievements, his view on the EU’s main current challenges
Delivering Executive Training for forward-thinking policies continued

and what the ECA could do to help restoring the trust of citizens in the EU. And, last but not least, about his motivation to act as trainer in the EUI’s executive training seminar.

Of all the experiences you have had during your remarkable professional career as minister of foreign affairs, prime minister and president of the European Commission, which comes quickly to your mind as most striking and standing out and engraved in your memory?

I have had the privilege of been living through very exceptional moments of European history, for instance, the fall of the Berlin wall and the astonishing progress and enlargement of the European Union, and I’ve been living that with great enthusiasm and passion. Among the moments I remember most vividly, there is certainly the ceremony in Oslo in 2012 attributing the Nobel Prize to the European Union. At this occasion I had the honour, together with my colleagues from the European institutions, to receive the Nobel Prize.

As President of the Commission, what stands out in my view is our response to the financial crisis which demonstrated the EU’s and the Euro area’s resilience and capacity to resist tremendous pressure. Those who were predicting Grexit and the collapse of the Euro were not right and I am confident that our common currency will also strive in the future.

I am also proud of the role of my Commission launching the “Climate/Energy Package”, known as 20/20/20, that shaped the future of the fight against climate change, with Europe leading globally.

As regards my national career, the moments I remember with most emotion was my role as mediator in the peace negotiations for Angola in the early 1990s and my role in pushing for the independence of East Timor, through negotiations with the Indonesian Foreign Minister and the mediation of UN Secretary General. These are some of the strongest experiences and memories I have of my political career.

After Jacques Delors you are only the second Commission president to have served two terms, from 2004 to 2014. What do you consider to have been the main achievements during your presidencies?

When we look at the period of the two terms taken together, I consider that the most important achievement was to make it possible that the European Union could go from 15 to 28 Member States. My Commission, in fact, was the first Commission of that new Europe. In 2004 we were 15 and when I left the Commission we were 28; so we have almost doubled the membership of the European Union and we have done it through many crisis.

I also consider the Lisbon Treaty an important accomplishment because, after the failure of the Constitutional Treaty following the referenda in France and the Netherlands, it was important to agree on a better institutional settlement and that was done through the unanimous approval of the Lisbon Treaty.

And we should also acknowledge the decisive role of the Commission in response to the financial and economic crisis. Certainly, there were many political and social costs associated with the adjustment programmes. But the reality is that, against the prophets of doom, we have shown that the Euro is a strong, credible currency. In fact, at the same time that we were enlarging the Union we have succeeded to deepen and, in fact, to give new competences to the EU, such as the Banking Union, that will make the Euro area more resilient in the future.
In recent years we have seen the rise of populist parties across the EU, often marked by Euroscepticism. What do you consider to be the root causes for this Euroscepticism and how do you think citizens’ trust in the EU project can be gained back?

The causes for populism and growing nationalism are not specific to Europe. In fact, we are seeing nationalism growing in many parts of the world from the United States to Asia. The causes are probably related to globalisation. Very often citizens perceive that their governments are not doing enough at the national or European level to protect them against the negative effects of globalisation. And the increasing inequalities in many of our countries are also fuelling these sentiments. So we should take this very seriously. And I think this is what explains the current wave of populism. In Europe, of course, Euroscepticism is also fuelled by the movements against refugees and illegal migrants. And that is a specific and dangerous challenge that we must address.

And for the European Court of Auditors, how can the ECA contribute to trust in the EU project?

The European Court of Auditors is already contributing to trust in the EU project by performing the very important role given to it by the Treaties. Good governance and sound transparent financial management are critically important for any organisation and in a transnational one it acquires even more relevance. I remember always keeping very constructive institutional relations with the ECA.

What do you consider being the most urgent problem for the EU today and what should be done about it? And how should this affect the upcoming MFF discussions?

Today, for the European Union, the most important challenge is how to deal with illegal migration and refugees, not only because of the relevance of the issue in itself but also because in some of our countries this phenomenon is triggering very strong xenophobic movements. And one thing I know is that all those xenophobic movements are also anti-European. So it is important the European Union actively contributes to solve this problem that is putting so much pressure in our societies. Certainly, this should be also recognized in the next MFF agreement.

The EUI´Transnational School if Governance has set up a new executive training programme. What is the main reason for you to be the key speaker for this week’s seminar?

I was invited to participate in this very interesting and useful programme because of my European experience as Commission President. Indeed, I have been participating in European affairs since the 80’s of the last century in different capacities including the ones of Foreign Minister and Prime Minister of Portugal. Moreover, I have been at the EUI for the first time in 1980 for one of the first summer schools in comparative politics. So I am delighted to be back as an alumnus and to share my experience with the participants in this seminar at the European University Institute that brings me back so many memories.
A very interesting aspect of the ECA’s training universe consists of the external activities that are intended to stimulate an exchange about various topics relating to the EU budget and the audit work the ECA carries out. This practice promotes knowledge sharing beyond the usual institutional stakeholders (i.e. the European parliament and Council) and fosters the dissemination of good practices and valuable insights that are gained during an audit process. These activities, which often take place in the context of conferences, seminars and training events, offer ECA staff an interesting opportunity to present their work to a broader public and to step out of the box of their usual auditor-auditee environment.

At the ECA many people are involved in such dissemination and knowledge sharing activities on varying levels. Below the rather personal accounts of two colleagues. First from Gabriele Cipriani, who gives presentations on the EU budget and publishes books and articles in academic journals on the same subject. When doing so he usually discusses the topic from a broader perspective than perhaps more narrow angle of an auditor. Or Luc T’Joen, who has a long record when it comes to sharing knowledge on various topics in which he has built up his expertise over the years. He is currently deeply involved in the auditing of the performance of the EU co-funding to transport infrastructure investments.

Sharing knowledge with the external world can take place in many forms: from occasional presentations about the audit work that laid the foundations for an ECA special report to drafting articles on the EU budget for academic journals. Whatever the format, they are an important way to spread the ECA’s message and to promote cross fertilisation between ECA auditors and the outside world. A most rewarding experience, as Gabriele Cipriani, principal advisor in the Chamber ‘Financing and Administering the Union’ and Luc T’Joen, senior auditor in the Chamber ‘Investment for cohesion, growth and inclusion’ both acknowledge.
Scrutiny and review beyond the institutional framework

By providing that the ECA can start its work from the very first act potentially generating a budgetary effect, the Treaty of Brussels (1975) has made of the audit of the EU budget a continuing process. Furthermore, the ECA's right to publish its reports and opinions has been key in enlarging the forum for scrutiny and review beyond the institutional stakeholders involved in the discharge procedure, to include national bodies, interest groups, civil society organisations, and academia and research institutes. Making the implementation of the EU budget a matter for public debate has increased the quest for accountability, notably as regards results. In the public perception, demonstrating the effectiveness of EU expenditure has become a test of the EU's ability to deliver, hence increasing the auditor's responsibility.

This context has promoted the integration of concepts such as value for money, sustainability of funded measures, EU added value in the function of auditing the accounts. In its turn, enlarging the auditor's scope beyond mere financial figures has required new skills and knowledge, often drawing on outside expertise. Consequently, to get the correct message through, it has become necessary to explain more broadly the context of the audits, the methodology employed, the impact of the findings, and, not least, how things could improve.

Dialogue with the external world

This fundamental change of perspective in auditing the accounts does not allow the external auditor's independence to turn into 'splendid isolation.' It actually requires the auditor to enter into a dialogue with the external world, e.g. those who share an interest for the outcome of the audit work and can add value to it. In line with the ECA's audit strategy, explaining and learning are part of the same process to the benefit of the audit function itself. Moreover, a mass of relevant data and expertise are available in the outside world. During my career I experienced this on several occasions, for example when dealing with the raison d'être and reasonableness of member states' net balances calculations, the ways of auditing statistics, or the setting up of operational criteria for performance assessment.

Contacts with the external world have prompted me to participate in specialised panels and to publish texts dealing with EU budgetary issues (see https://www.researchgate.net/profile/Gabriele_Cipriani/contributions). I always found that audiences, whether politicians, academia or students, were eager to listen to a point of view based on audit experience and to know more about the ECA's work. At the same time, such occasions represented a useful source of feedback for my own duties. This is why I would encourage the efforts undertaken at the ECA to further develop relations with the external world. I am aware that many colleagues would be ready to engage in relevant external activities for which they are well qualified due to their extensive expertise. Such further opportunity to draw on the substantive and dedicated work underlying our audits would enhance the value and credibility of the external audit of the EU budget as a service to EU citizens.

Gabriele Cipriani
Learning and staff development: how does ECA’s knowledge sharing activities with the external world fit into the picture? continued

Sharing knowledge, skills and experience

I have no teacher’s degree, yet, my entire professional life I have been sharing my experience and knowledge with others. At the European Commission for example, where I gave training on the procedures of economic customs law to colleagues from DG TAXUD and external experts, informed all Commission staff about new grant agreements, and explained financial matters and tools to Eurostat and Member States’ statisticians.

In 2010, I began to share my knowledge of performance auditing on transport matters more frequently, both internally at the ECA, as well as externally in various public bodies and non-profit organisations. Transport is a brilliant topic for trainings as the good, bad and sometimes ugly results in this field are often quite tangible. Therefore, when describing methodologies, theory and practice go hand in hand by providing participants with real life examples of what was good, what went wrong or what was, after all, a complete mess.

Why train others?

What drives me is the fact that ‘you cannot do everything on your own.’ This is also very true for the ECA. We continue to perform the audit work intensively, with regularly changing audit teams, to deliver special reports of a high quality. Moreover, although the ECA publishes more and more special reports covering more and more performance topics, it will never be able to cover everything in an all-inclusive way. One way to overcome this inherent limitation and still increase its impact is to spread its knowledge, allowing people responsible for implementing EU programmes to apply best practices even before we audit them. Another valuable aspect is that these sessions also offer the trainer the possibility to learn from the trainees. Thus sharing knowledge and experience only has benefits.

Training partnerships with other bodies

Currently, the ECA cooperates with a number of Universities and it develops training partnerships with organisations that operate in related fields. Examples of such partners are the European Institute for Public Administration (EIPA) and the European Academy for Economy, Taxes and Law, and more may follow. For example, training provided via the EIPA in Barcelona includes performance auditing, cost/benefit analysis, procurement and state aid. These bodies have similar goals: to spread knowledge and to share experience to improve the practices and EU spending over time. There is thus a ‘win-win.’ These partnerships are beneficial for the ECA because they enable its auditors to participate in the specific high-level training courses these bodies organise free of charge. And, in return, the ECA trainers share their own expertise, also free of charge, with the participants on the training courses organised by these partners. The variety of topics to address has increased a lot and it is helping new colleagues to get better equipped to work under ever changing circumstances and to face ever-growing challenges.

Luc T’Joen
Direct experience

Mariusz Pomienski and Gerhard Ross both attended training activities in the past few weeks. Mariusz currently follows the training programme for newly appointed directors, a comprehensive management and leadership course. Which he considers to be a very well-designed programme with interesting contributions from selected external training providers, academics and coaches from the private sector. ‘It provides me with a fresh look on public management. And on top of that it is an excellent networking opportunity as it provides the chance to get to know a good number of my peers on the same management level.’

Gerhard had his last training experience around Easter, when he attended a seminar in Berlin that was organised by the European Academy, a private-sector organisation providing particularly training to civil servants working with EU policies and programmes in Member States. He there participated in a workshop for practitioners implementing cohesion spending. ‘There were different workshops and discussion groups, which helped me, as an external auditor, to get an idea of the real practical problems people are facing at the implementation level. A valuable experience, especially considering the fact that, as an auditor, you normally come in, do your audit and leave. And this distance entails the risk of not understanding some of the constraints the other person has to deal with.’ He adds that being exposed to the people you normally audit in such an environment, forces you to look at the different perspectives. ‘That way you can learn things that might be useful to take into account for future audits. That and the networking is very useful.’
Added value

Gerhard recognises the positive influence training can have on the personal level. At the same time, he stresses that, in the professional context, training needs to focus on improving and further developing the work. ‘That is the most important aspect. Whereas training for improving soft skills can also be useful, in my view this comes secondary to in-depth knowledge in your professional area.’ Gerhard acknowledges that the organisational needs are not the only aspect to take into account when deciding whether somebody should go on a particular training. At the same time, he emphasizes the need for a clear link with the work. This would naturally limit the number of soft skill trainings needed for a particular individual.

Mariusz agrees with Gerhard to a large extent: ‘Any training course should help him or her to improve the ultimate result of his or her work. It should make him or her to work faster or delivering better quality, for example.’ Then he brings it to a more abstract level: ‘We need to expose our staff to new ways of thinking, and they should acquire new skills and knowledge. In that sense you should aspire to unlock their potential. Many people will have a certain potential they may not necessarily be aware of, or that they are unable to make full use of it. And that is where training, and certainly also training on soft skills, can really help.’

Identifying causal relationships...

When it comes to assessing impact of training both directors consider this a tough nut to crack. Mariusz points out that training is often an intangible issue to catch: ‘How training and learning works out is rather different per person and training as such can be difficult to identify as unique element contributing to a certain effect.’ He proposes that a programme logic model, used in performance audits, may be an interesting approach for assessing the effectiveness of training: ‘Did the training address the needs that were identified, for the person, and of course ultimately for the organisation.’

Gerhard agrees with Mariusz and is convinced s ‘that most of the learning is done by training on the job: ‘As interesting as classroom training, or more modern training methods nowadays, are, you will learn the quickest and more intensively by finding out things while doing the job.’

Timing is everything

Both directors have the opinion that timing is one of the most important elements for the potential impact of a training. Mariusz: ‘When organising a course for the ECA, we need to consider first both the work plan of the institution and the tasks a staff member is scheduled to work on, and plan the training accordingly. Of course, this will mean something different for different people at different moments in time. But I think that, in general, timeliness is one of the main success factors of any training.’ Gerhard Ross adds that he thinks the ECA has some room to improve on that. ‘This link is often lacking because there is too much time between the moment in which a person follows a training and the moment in which he can actually apply what she/he has learned. From my own experience, I find that what I learn in a training, be it skills or knowledge, can only be useful if I have the opportunity to put the things I have learned into practice soon after.’ With a laugh: ‘If you do not use it, you lose it!’

Design with vision

Apart from the timing, the contents of a course are also directly related to the usefulness of a training for the daily responsibilities of the participant. Both directors agree that, normally, there should be a very close link between the building blocks of a
training and the day-to-day tasks that need to be carried out. Mariusz wants to keep a broad perspective here: ‘Nevertheless, I am sure that every now and then there will be a course or a topic where you think, we may not have a need next month, or even next year, but the world is evolving and there is a good chance we will need this knowledge or skill in the future.’

Both find it important to have a long-term vision when it comes to training. Mariusz: ‘We need to make sure we are prepared for the future. A good example of such a topic is big data. You could say that it is still in a stage of development, at least for the ECA, but at the same time we can also be fairly sure that we will need to be able to deal with it in the future.’ He believes that, sooner or later, it will be widely used. ‘Especially in financial audit where big data may offer the opportunity to move away from sampling towards checking virtually everything. So it is clear we do need to prepare for that.’

How to identify what you need?

Gerhard: ‘To determine which skills and what knowledge you need to provide training on, you need to identify the needs of the organisation and of the staff. Now and in the future, for as far as that is possible. A good example is the ECA’s effort to stimulate clear writing.’ Mariusz adds: ‘The ECA has indeed identified the potential for further improvements in drafting clear and short reports, so it offers training courses that are focussed on writing clear observations, conclusions etc. That is a positive development.’ Gerhard Ross: ‘Absolutely. Although we still need to find out whether or not these people have a timely opportunity to apply what they have learned.’ Furthermore, identifying a need to improve something and providing a course is only one part of the equation. The recipient of the training must recognise his or her weaknesses and be open and willing to improve and reap the maximum benefit from the training.

Mariusz brings up another important element to consider when designing a training: the way knowledge and skills are communicated. ‘As every person learns things in a different way, you need to have a flexible and heterogeneous training offer.’ Gerhard concurs and refers to the trainings that the ECA provided in the 90s. ‘Those courses focussed a lot on theory and consisted to a large extent of up-front presentations. The current ones are online and interactive. We now offer the same content via a combination of e-learning courses, case studies and classroom trainings, which is a considerable improvement as they are much more attractive to follow.’ Both directors find that the training for newcomers has also improved a lot. Gerhard: ‘The package we offer now through the ASPIRE programme, specifically aimed for newcomers, generally addresses the practical needs they will have in their first audit assignments.’

The right mix

Concluding, both Mariusz and Gerhard think that any sustainable impact of a training course will always depend on the right combination of the factors mentioned before. Mariusz: ‘Classroom trainings, be it on soft skills, foreign languages or new policies, are fundamental for professional development. But the real test comes when you are back at your desk. ‘Gerhard: ‘Absolutely. On the job training, peer teaching, and day-to-day guidance and learning are all important elements and feedback from colleagues is part of that. Doing the job, getting feedback on what you have just done and applying it in your future work. That is the by far most useful!’
Lifelong learning as a strategic must

Lifelong learning has been around for a long time, and for Anna Smedeby it is a key objective of the European School of Administration (EUSA) to transfer and promote this concept in the EU institutions. ‘In the private sector many companies have integrated this concept into their organisation, while in the EU institutions it was for a long time seen as a label which is nice to use, but not always put into practice. Sometimes we still deal with learning, through training, as something you do if you have time, or get as a reward. But it actually is a strategic must!’ Anna points out that the way society is developing learning is becoming more and more important. ‘And not only learning, but even more the ability to learn, the ability to quickly pick up new things.’ She adds that in many organisations learning is still oriented towards skills. ‘But sometimes, like the ECA now has with its cooperation with the University of Lorraine for this master programme, it goes beyond skills: Anna prefers to talk about learning rather than training. ‘Although often you see more training than learning.’

Anna herself has made a learning journey throughout several EU institutions. Having started in the Swedish translation service in the European Commission in 1995, in 2002 she moved into human resources, getting familiar with career guidance and job descriptions in the predecessor of the current Directorate General for Health and Consumer issues. She moved to the Council doing similar tasks. There she saw the EUSA being set up, starting with Certification, the programme enabling EU staff to move between different career grades (from assistant to administrator level). She changed to the EUSA, first working on Certification. For the last ten years, she has been working on leadership issues, setting up the Leadership Club, followed by the Programme for Newly Appointed Directors in EU institutions. Since January 2017 she is Acting Head of EUSA.
The European School of Administration (EUSA) was set up by the institutions of the European Union in 2005 in order to extend the range of learning and development opportunities available to their staff. Administratively EUSA is connected to the European Commission and is funded by the EU budget.

A major reason for setting up the school was the need for a neutral body to organise the certification programme, which still is the EUSA’s exclusive competence. Certification is a core element in lifelong learning at the European institutions, which enables EU-staff to progress from assistant level positions to administrator level positions.

The EUSA’s other training activities fall into the following groups:

- induction training for new staff
- training in the basic skills needed in the workplace
- management and leadership development programmes
- wellbeing workshops

The EUSA has offices in Brussels and Luxemburg and is organised in two sectors: one for the design, development and evaluation of training activities and the other for planning, organisation and customer relations.

Many of the team have a previous background in training and training management. Its total staff is 22.

**Skills and competences**

Anna touches upon another thing about learning. ‘This is about reflecting on your practice. And that does not neatly fit in into the usual categories. Yes of course we need to talk about skills, which you need to learn, like writing, giving presentations. But we also need to talk about competences: which ones are you promoting as organisation? Are you recruiting for competences, and what are you looking for to promote people?’ She raises the question whether, as organisations, we are more focused on current skills, or if we also think of future oriented competences, like the Organisation for Economic Cooperation and Development, the OECD, highlights in a 2017 report called ‘Skills for a High Performing Civil Service.’ This report indicates that new skills and competencies are necessary to address the future challenges of the public sector, speaking about things like critical thinking, innovation, flexibility. We are not looking at that all that much yet.’

Anna points out that this goes far beyond the usual ‘let’s sit down and do a course about IT skills.’ Anna: ‘We are trying very hard to bring the learning into the workplace: the 70 – 20 – 10 distribution. Perhaps a bit of a dull model, but official policy in the Commission, and massively used elsewhere, too.’ She explains that 70% of what we learn is on the job, while doing something. 20% of what we learn is from feedback. And only 10% is actually in a traditional classroom - or e-learning - situation. ‘We work more and more to bring the 70% into our learning, and it is particularly evident in our new management programmes.’ She points out that this means breaking up programmes, doing one day of short and sharp interventions. Then participants go back to their work place, try to put this or that into practice. ‘Then, like 6 weeks later there is a new meeting day for the participants, discussing what worked well and what did not. So the aim is to have a more constant exchange and therefore create an incremental process of learning.’
Interinstitutional as added value

When speaking about the specific added value of EUSA Anna is very clear: ‘EUSA is interinstitutional, a crucial point! The feedback EUSA gets from people is that one of the greatest assets of attending a training of the EUSA is that they meet people from other institutions. You then see there is a commonality, thereby helping to reinforce the identity of the EU civil service.’ She adds to that opening up perspectives to move to another institution. For Anna the ‘learning from each other’ is of key importance. ‘EUSA is also bringing in more and more context into its learning. Beforehand we were more focused on process and skills. Now we bring in both more content and context, like in the new ‘EU in the making,’ a programme for managers where high-level practitioners from the different institutions explain what really happens behind the closed doors in the EU Council, for example.’

As to the question on how Anna finds people to provide such learning opportunities she smiles: ‘I have very persuasive staff, and the programme is selling like hot cakes: it is extremely popular. People really want this. And it is in a lunchtime conference format. Sandwiches are offered, doors are closed and then you can have a good conversation, under Chatham House rules.’ Anna beams when speaking about ‘her’ school: ‘We are small but it also means that the school can be agile and do things quickly.’ Important for finding out which ‘learning’ is needed Anna explains are also external sources: ‘Like the Interinstitutional Working Party, consisting of the heads of training of the different institutions. We meet about every two months. Recently we identified a need for a course on teleworking, covering how you, as manager, can best manage your teleworking staff. The course is now under development and will be available by the summer.’

Another source for ‘learning needs’ are the consortia the EUSA works with. ‘We ask them to talk to their trainers. After all, they are in the training rooms and they pick up what we might not pick up.’ For Anna they are the ones who see what is happening with the people in the course. Anna: ‘But most importantly we have, within EUSA, a team of designers: they are specialised in learning design and evaluation. They look at what is going on inside the institutions and outside in the world: identifying trends, issues in Member States and beyond.’ Through the EUSA programme for Newly Appointed Directors Anna also gets feedback on what is important for managers. ‘Agility, ability to learn, communication skills, ability to work in a transversal way. And this transversal approach, which you already do in the ECA, is going to happen much more, allocating resources where there is a specific need, regardless of a specific organisational structure.’ Anna describes this as a more collaborative style of working. ‘And necessary to boost innovation.’

Facilitating the ECA to pick and choose

When discussing what the specific advantages are for the ECA of using EUSA over other schools focusing on public administration, like for example EIPA, Anna does not have to think long: ‘I believe the ECA uses all the options that are out there, like learning possibilities offered by universities, EIPA, or going interinstitutional through EUSA.’ She explains that with EUSA the ECA can pick and choose: ‘One of the courses developed by EUSA is the Team leadership course, specifically tailor-made in house for the ECA and for which the ECA pays. Another example is the teleworking course: perhaps a need the ECA has, which is shared by other institutions. EUSA can then develop something for the institutions and ECA staff can participate. For free!’
Another issue Anna refers to is the economies of scale and the contribution to efficiency and effectiveness. ‘The EUSA does framework contracts, organises the call for tender for, for example, induction courses. So that not each institution has to go through the same procedures, thereby saving a lot of time.’ She explains that now, once there is a framework contract done by the EUSA, the ECA can go directly to the company providing the learning services and order courses itself. ‘So you can pick and choose, deviating from what the school is offering, while not having to deal with all the administrative stuff. And the school can help, if you want, with advice and expertise, for a small cost.’

Engaging to Learning & Development

Anna thinks it is very important that the organisation truly engages in the learning and development strategy. ‘It sounds like a cliché but it is such a strategic plus to have the right skills available. There is room for more organisational engagement in the Learning & Development of staff. And we at EUSA are seeing that more and more.’ She mentions the ECA Team leadership course as an example of how an organisation should be investing in its people. Another example she gives is the Commission’s Female Talent Development Programme, which EUSA assisted in designing. ‘So the Commission is running it itself but also integrated some of the EUSA programmes.’ Anna is a great advocate of integrating Learning & Development in career development: ‘Look at where the potential is, what the organisation’s needs are, and what action is needed to make these meet.’

Anna explains that trainers used by EUSA have to fulfil several criteria: ‘We work with companies through the framework contract. And every trainer we use has been accredited by the School. Never is a trainer put out in a training room who we have not accredited.’ She adds that accreditation means that the trainer has to deliver a short session to a panel of EUSA and institution staff. And the content they present is screened, reviewing whether a trainer can manage the process well. ‘And finally there are of course the “regular” evaluations from participants after each session. EUSA monitors these carefully, particularly for new programmes, or when new trainers have started. So if new trainers start usually EUSA staff will come and attend that course. It is extremely important that the trainers we accredit are very good because they are the School’s face outwards!’

Training and impact

As far as impact of training is concerned Anna gives a very concrete example: ‘Certification, moving from one staff category to another. You can monitor how many people get nominated as administrators. And what is nice is to see them then come back in a course like ‘Newly Appointed Head of Unit’. You can then follow them along their career.’ She then refers to the Newly Appointed Directors course, which recently started its 10th round. ‘We have around 200 senior managers of the EU institutions that have gone through this programme. This means that EUSA has actually trained between one third to half of the population of directors in all institutions together. And some have already moved on to become (deputy) Director General.’ For Anna this means the creation of a great network with a common language and common experiences. ‘This is really important because you create an interinstitutional network, making cooperation so much easier.’
She continues saying that EUSA recently started doing impact assessments. ‘A few times per year we will send out a survey to participants in our programmes, normally a few months after the end of the programme, asking: did they learn anything; was what they learned useful for their job, and are they able to put this into practice in their own organisation?’ She explains that the first results, published in the EUSA 2017 annual activity report, are very positive: ‘Positive feedback for management courses was at 89%, for key skills training it was at 87%.’

**Face to face plus the ATAWAD concept**

For the future Anna hopes that the cooperation the EUSA always has had with the ECA in Learning & Development will continue. ‘We really appreciate the relationship we have with the ECA. And the ECA can be rather specific in some needs, this in view of its specific audit profile. We will keep on having the same mix of tailor-made courses and interinstitutional offerings.’ She also thinks that the limited resources available for Learning & Development can stimulate EU institutions to cooperate to find even more synergies.

While Anna believes Learning & Development has a really good outlook for the future, she thinks it has to become more innovative. ‘We will have to do things in a different way, using the latest knowledge in neuroscience and behavioural science, probably shorter and sharper interventions, and in a different way.’ According to Anna it will be a world of extremes: ‘The face to face learning is never going away. People want it and there is a need to meet and talk. At the same time, there is an increasing place for the ATAWAD concept: any time, any place, any device.’ She adds that this will happen through apps, short videos, pep talks, animations, etc. She concludes: ‘We will see many changes in the upcoming years. But just electronic learning by itself will not be enough. You will always need the personal exchange with people, for social learning and more.’
'Auditors Alliance': OECD’s new forum for public sector auditors

By Jennifer Eddie, Organisation for Economic Co-operation and Development (OECD)

A unique forum

The Organisation for Economic Co-operation and Development (OECD) has just launched the ‘Auditors Alliance’—a unique new forum for public sector auditors. What makes the Auditors Alliance different from existing fora is that it is for both internal and external auditors and for auditors from all levels of the public sector: international, national and sub-national. It gives auditors a platform for: connecting with colleagues from across the auditing profession; sharing insights, better practices, and innovations; and establishing foundations for targeted peer-to-peer partnerships, capacity building and cooperation.

‘We need to ensure that institutions regain the trust of citizens. We need to work on this together, and the audit community has a major role to play.’
Marcos Bonturi, OECD Director for Public Governance

The Auditors Alliance enables auditors to support one another, with the aim of strengthening institutions, public sector integrity and good governance across government.

‘Auditors Alliance’ launch meeting

On 26 March 2018, the OECD hosted the first Auditors Alliance meeting at their headquarters in Paris. The launch meeting included presentations and discussions on topics such as guarding the public trust, auditing for integrity, public sector audit innovation, and solutions for shared challenges.
'Auditors Alliance': OECD’s new forum for public sector auditors continued

The OECD welcomed notable speakers from the international auditing community, including:

Ardan Adiperdana, Chairman of Internal Audit, Indonesia; Jorge Bermudez, Comptroller General of the Republic of Chile; Richard F. Chambers, President and CEO of The Institute of Internal Auditors; Helena Abreu Lopes, Chair of the European Organization of Supreme Audit Institutions’ Task Force on Audit and Ethics; Marko Männikkö, Deputy Auditor General of the National Audit Office of Finland; Regina Maambo Muzamai, Director of Internal Audit, African Union Commission; Joanne Rowley, Professional Practice Director, United Kingdom Government Internal Audit Agency; Ciarán Spillane, Principal Advisor, Internal Audit Service, European Commission; Kevin Summersgill, Head of International Relations, United Kingdom National Audit Office; Nicholas Swales, Audit Principal, Office of the Auditor General of Canada; Tomaz Vesel, President, Court of Audit, Republic of Slovenia; and René Wenk, Head of Department, Anti-Corruption, Compliance, Risk Management, Austrian Court of Audit.

The launch meeting took place during the OECD's Integrity Week, which included the OECD's annual Global Anti-Corruption & Integrity Forum, which attracted 1800 participants from over 120 countries. Many launch meeting participants took the opportunity to stay for the forum and attend sessions on promoting public sector integrity—with keynote speakers such as Erna Solberg, Prime Minister of Norway, Katrín Jakobsdóttir, Prime Minister of Iceland, and Gabriela Michetti, Vice-president of Argentina.

Future directions

The launch meeting was the first step to building an interactive community of public sector auditors that breaks down silos between internal and external audit institutions and promotes interaction and collaboration across jurisdictions.

In addition to an annual meeting at its headquarters, the OECD plans to organise regional, theme-based events that are practical and interactive. The OECD also intends to provide a virtual platform for auditors to connect and share and facilitate a self-assessment exercise for audit entities. Furthermore, the OECD wants to assist with matching auditors on the basis of needs and strengths and facilitate opportunities for knowledge sharing and capacity building around the globe. Of particular interest to the ECA, the Auditors Alliance will also be establishing a subgroup of the Auditors Alliance that is focused on the particular issues related to auditing international organisations.

Be part of the ‘Auditors Alliance’ community

The Auditors Alliance welcomes auditors from across the public sector auditing profession, including from internal audit bodies, internal audit organisations, supreme audit institutions (SAIs), international organisations and sub-national audit entities. The Alliance is an inclusive
community—open to all auditors from the most senior to the most junior—with a particular focus on performance, value-for-money, and compliance auditing and the auditing of internal control and risk management systems.

The Auditors Alliance already includes over 300 auditors from 57 different countries, is facilitated and supported by the OECD. But it is a forum for, and by, auditors. Marcos Bonturi encouraged auditors who were at the Launch Meeting, to take an active role in shaping the future directions of the Alliance: ‘The alliance is for you. You own this network.’

According to Richard F. Chambers, President and CEO of The Institute of Internal Auditors, ‘The Auditors Alliance provides a great opportunity for internal auditors and external auditors to come together, exchange information, exchange ideas, and strengthen oversight and integrity around the world.’ We should not loose sight of this overall purpose and sharing insights and building capacity is to be seen in that perspective.

There are no fees or obligations associated with joining. If you are a public sector auditor, the OECD encourages you to sign-up to be part of the Auditors Alliance community via the [OECD website](http://www.oecd.org).
Presenting tools for acquiring knowledge

In April 2017, Sarita Kaukaoja took up her current function. This makes her responsible for the learning and development activities at the European Parliament (EP), including managing a budget amounting to around 6.5 million euro. ‘We used to be called Professional Training unit but I changed that pretty soon after I arrived,’ Sarita affirms. She associates professional training with putting people in classes and training them there. ‘But learning can happen in many other ways, classroom learning is just one way. And I wanted to move away from the word ‘formation’ - the French word for training which I picture with a passive receiver of training.’ In Learning & Development (L&D), Sarita explains, you are the one who is in charge of your own learning and take the initiative. Sarita goes even further: ‘In my view modern L&D is very little about knowledge. Knowledge is everywhere. We just have to give people the right tools to unlock knowledge and be critical about it.’ She points out that sometimes micro learning – for example through a little video – is much more effective than half a day in a classroom. ‘It has to be right on time, just for you! This is the concept what we aim for; we are still far away from it but it is the core objective.’

When speaking about her previous work experience this focus on goals shines through. With a background in political science and international law Sarita has studied in France and graduated from College of Europe, worked at the University of Turku and worked in the Finnish Prime Minister’s office advising on EU affairs before going to Brussels to work as the permanent representative of the Finnish parliament in Brussels. She then decided to join the European Parliament where she ‘fell for L&D,’ working on that in several functions. Her unit has 39 staff members. In addition, as part of wider L&D community, there are training officers within each of the European Parliament’s 13 directorates general (DG). Three DGs have also their own training units. Sarita beams when she compliments her team: ‘I have a very good team, super motivated, with many ideas, very inspirational.’

Lifelong learning – right on time, tailor made and just for you

Interview with Sarita Kaukaoja, Head of Unit of Learning and Development in the European Parliament

By Gaston Moonen, Directorate of the Presidency

With the European Parliament just around the corner of the ECA, at least in Luxembourg, it is relevant to know what such a big institutional player does about training its staff. And how it addresses possible learning wishes of over 700 Members of the European Parliament (MEPs). Time to interview Sarita Kaukaoja, who, with great enthusiasm, shares her views and some facts about learning and development in the European Parliament.
Lifelong learning and the EU civil service

For Sarita there is a clear symbiosis between career development and learning and development: ‘They are and should be closely connected. In my view training should not be a reward, or a punishment. Or something you do when you have nothing better to do. But too often I still encounter this attitude.’ She gives the example of the election period the EP staff has every five years: ‘Less work, so let’s give staff a training then – while this was not feasible in the five previous years.’ In her view training should be a continuous development. ‘If people have jobs for life we have to keep developing them. The concept of lifelong learning applies very well to the EU civil service.’ She also brings up the issue of job mobility. ‘In the EP both assistants (AST level) and administrators (AD level) need to move after seven years. Besides the more generalist functions we also have highly specialised job profiles who also need further training. In total we have about 130 different jobs in the EP, ranging from security agents, truck drivers, building architects, lawyers, doctors, etc. Which such diversity we have to come with very diverse L&D solutions for our staff.’

This diversity makes the concept she has in mind – ‘right on time, tailor made, just for you’ – even more challenging. ‘My unit tries to introduce new ways, also regarding on the job learning, like job shadowing. But it is still in an embryonic phase because it also about the mind-set. Now often this means you go to a course because you need it. And in the worst case scenario managers will consider it just a day away from the office.’ For Sarita it is clear that there is still a long way to go. ‘Ask me five years from now and I can tell you whether we succeeded. In a big organisation like the EP we cannot change this mind-set overnight.’

Training participation numbers and training effects

Sarita does not really believe in obligatory training. ‘This does not work as a concept, dragging the horse to the water…tick the box.’ Instead she thinks that in this time of scarce resources one needs to be intelligent on where to invest and what kind of learning opportunities to give to people. But Sarita can report, as she calls it, ‘very impressive figures in terms of participations. We have annually 23,000 participants in our EP courses, with a satisfaction rate of 87%. But this is ‘happy sheet’ info and does not say much about the impact.’ She explains that these numbers presented on attendance and satisfaction are sometimes all you have. ‘In line with the KirkPatrick model of measuring impact this is really sub-basic material. The right way of doing it is not in place yet.’

She points out that she has some ideas how to change the way the effectiveness of training is measured, but before doing so this idea of measuring impact at all would need to be generally agreed. ‘It is not up to the participant to assess the difference of before and after the training, but up to the manager. And this should not be established one day after the course but some months after the course has been delivered.’ Sarita distinguishes phases like pre-learning, then the course, and then after-learning while applying what you learned to work. ‘For me the pre-learning and after-learning is just as important as the course itself.’

Identifying target groups

Also having the scarce resources in mind Sarita believes that for several training needs one can stop with classroom learning and have e-learning instead. ‘You can pick it up when you need it. Through tutorials of a few minutes, instead of sending somebody a PDF to use a new service or device. Send a tutorial and people are more inclined to learn it when they need it. On how to use your mobile device,
how to create a certain request, those things. However, she does not think tutorials can do the trick when it comes to training in communication. ‘Classroom training needs to have a clear purpose, for example because it offers a good networking opportunity. Every time you need to think about the right method of delivering training for that specific target group.’

Sarita explains that for now her client approach is based on three pillars: one outlook is to serve the clients individually through a catalogue where people can select courses. She calls it ‘the basic stuff you need to have on permanent offer.’ The next pillar is the tailor made training for DGs, based on their strategic needs. And the third pillar involves the corporate programmes, of importance for the whole organisation with the aim of transformation. Sarita continues: ‘Sometimes pillars merge, for example a programme for women with management potential: it came from the high level group of MEPs saying that more effort should go into encouraging women to become managers. So this programme was developed. Another example is the ‘Growing Talent programme’, a talent management programme with five different branches, which is exclusive, meaning you had to be selected for it. This makes a clear link to career development.’ She adds that the ‘Women with Management Potential’ programme has a different approach, being inclusive: any woman who thought to have management potential could sign up, as long as they would meet a certain grade requirement. Sarita then reflects: ‘In principle I am not too keen about a patronising attitude regarding women on what they should learn. Therefore we approached the candidates themselves on what they would need to learn. So we let them co-create the programme themselves, not offering it ‘on a plate’ but more at their own initiative.’

**Training providers**

As to the question how she and her staff identify needs of people regarding training, Sarita refers to the Strategic Execution Framework that the EP has in place since 2014. ‘Basically this means that we are aiming to work more and more project based. We work with 2,5 year cycles, with an EP project portfolio consisting of over 100 strategic projects. The whole idea of the Strategy Execution cycle is that at the bottom, you have your daily operations and at the top, you have your purpose: what do we try to achieve, who we are, our identity, mission, etc.’ She explains that this is meant to be a model where you can constantly check whether your operations match with your purpose. ‘And if your daily operations don’t match the purpose you are aiming for, it should send you a signal that perhaps you should stop doing that. With scarce resources this is the way to identify also negative priorities, which you undoubtedly have.’ She points out that the training officers in the DGs are the eyes and ears for the L&D needs of the DGs each having a strategic training plan. She underlines that her unit also has to be attentive for societal developments. ‘For example after the Harvey Weinstein case and the “#MeToo” campaign I knew that a high demand for harassment training would come. We had it in the catalogue for years but there were not many takers, which is quite different now.’

**Identifying training needs**

As to the question how she and her staff identify needs of people regarding training, Sarita refers to the execution framework that the EP has in place since 2013. ‘Basically this means that we work project based. We work with 2,5 year cycles, with an EP project portfolio consisting of 600 strategic projects. The whole idea is that at the bottom, you have your daily operations and at the top, you have your purpose: what do we try to achieve, who we are, our identity, mission, etc.’ She explains that this is meant to be a model where you can constantly check whether your operations match with your purpose. ‘And if you don’t match the purpose you
stop doing that. With scarce resources this is the way to identify also negative priorities, which you undoubtedly have.’

Sarita refers to a study – presented in 2014 - comparing the EP to other parliaments in the world, including the US Congress, the German Bundestag, and the French Assemblée Général. This included a scorecard, identifying where the EP was good, medium and weak. ‘It turned out that in some areas, such as interpretation or translation, the EP was a global leader. But also when it comes to web presence – the EP has over 3 million Facebook fans. This helps prioritisation.’ She points out that her training officers in the DGs are her eyes and ears, each having a strategic training plan. She underlines that her unit also has to be attentive for societal developments. ‘For example after the Harvey Weinstein case and the ‘MeToo’ campaign I knew that a high demand for harassment training would come. We had it in the catalogue for years but there were not many takers, which is quite different now.’

Learning and development opportunities for MEPs

Everything covered until now related to staff members of the EP. But what about the political dimension of the EP, meaning training for the MEPs, the politicians? Sarita: ‘In view of the sheer numbers this has a different dimension than for any other EU institution. The conventional belief, or assumption, was that they would not be too interested going beyond the usual language training. I went out, still in my previous function, to collect the views on MEP’s in a representative way, putting into criteria like nationality, gender, terms of office, political affiliation. This all to find out who to talk to, to get a solid idea about their needs and how the MEPs would like them to be addressed.’

Sarita underlines that the MEPs showed very different needs – she labels them ‘learning and development opportunities’ - often reflecting also their very different backgrounds. She also identified very different needs in the beginning of the term compared with the mid-term and the end. ‘So you will have to change your portfolio of offering training throughout the term. And it has to be there when an MEP needs it: tailor-made, on demand, short. And strikingly nobody said that they did not need anything!’

Now the MEPs can choose from a catalogue with 36 different learning opportunities, Sarita explains. ‘This catalogue does not entail scheduled training sessions, but provides briefings on demand. In principle all is done in house, so we do not need to hire external trainers. Also because there simply is no budget to do so.’ She clarifies that the format may also depend on a MEP’s preferences. ‘Sometimes it is also aimed at the MEP and his direct staff. Like with a briefing how to get most out of a so-called triilogue, which would be useful for staff as well.’ Sarita has about a year to come up with a concept for training for the newcomers, expected to arrive after the summer in 2019.

Contributing to learning opportunities for MEPs

When asked how the ECA could contribute to such ‘learning opportunities’ for MEPs Sarita says: ‘If the ECA is willing to provide such a briefing on demand, in person or with a tutorial presented in another way, like a video, or an animation, I think this could work very well. A likely recipient could be a Member of the Budgetary Control Committee. I think such possibility would fit very well in our catalogue for MEPs.’
As stated in its strategy for 2018-2020, the ECA is committed to improve and make better use of its relationship with universities and think-tanks. Veronica Ardelean, principal manager in the professional development team, and Gilberto Moggia, responsible for knowledge management projects, take stock of the current collaboration with some academic partners, and suggests some solutions for facilitating the networking and strengthening the ties.

Scholars as indispensable observers and scrutinizers

Auditing is a knowledge-based activity. Connecting with academia is therefore for the ECA of strategic interest, as it opens a wide range of opportunities for our auditors to capture and leverage useful knowledge.

There is no doubt that universities, think tanks and research centres are very important stakeholders for public institutions. Scholars may be sometimes awkward partners, with their critical opinions not necessarily being in line with a certain institutional practice. But they are indispensable, as qualified observers and evaluative scrutinizers of the activities of public actors, to propose and test innovative ideas, methods and plans, and to improve quality and relevance of the public action.

The ECA has developed so far two main types of collaboration with academia:

• bilateral partnership agreements with European universities, and
• initiatives tailored for academic institutions and scholars, such as the ECA Award (the 2018 and fifth edition has just been released), and the annual EUI/ECA grant scheme for postgraduate students.

ECA’s cooperation with academia: strengthening the ties between auditors and scholars

By Veronica Ardelean, Directorate Human Resources, Finance and General Services, and Gilberto Moggia, Directorate Information, Workplace and Innovation
Current collaboration with universities

Universities are for the ECA a key source of knowledge via education, training and research activities, and providers of a value-added expertise. But, as set out in the ECA strategy for 2018-2020, university scholars are also relevant as audience, and even more important, as multiplier for our reports. As such, they can create an important leverage effect around the ECA work by discussing the ECA reports publicly, and referring to them in journals and other media. Finally yet importantly, universities are valuable and competent partners in the process of shaping the ECA’s methods and approaches, in particular in the field of performance audit.

The ECA is currently cooperating with the following universities:

University of Lorraine (Nancy, France):

Signed in October 2015, the partnership agreement between the ECA and the University of Lorraine, and mainly its entity L’Institut Supérieur d’Administration et de Management - IAE de Nancy, provides for the joint organisation of a training programme in the field of audit. At the end of this programme, participants can obtain a Postgraduate University Diploma (diplôme universitaire) in Audit of public organisations and policies and a Master Diploma in Public Administration – Management of public organisations (provided they have obtained the University Diploma, written a thesis and passed an oral exam (‘grand oral’) for defending their thesis).

The Postgraduate University Diploma programme is composed of five modules. Each module takes five days, except the last one, which takes only three days. They are organised once per month, from October to June. The topics covered by these modules range from systemic context of audit to public organisation accounting tools, performance audit and tools, and improving performance. One module consists of a group case-study. The modules are taught by professors from all over Europe (France, Italy, Sweden, Norway, Portugal) and trainers from the ECA. The Master theses are coordinated by professors from the University of Lorraine.

Three cycles of the programme have been run since the signature of the partnership agreement. The fourth cycle will be launched soon. Last year, almost all the auditors from the first promotion of the University Diploma programme obtained their Master theses and this year some of them shared their experience with other colleagues through ad hoc presentations at the ECA. This is how the ‘Lorraine cycle of presentations’ was born and it will continue as a knowledge-sharing activity at the ECA.

Henry Ford said on education: ‘Anyone who stops learning is old, whether at twenty or eighty. Anyone who keeps learning stays young.’

Even if you join the Master programme, the ECA cannot guarantee you will stay ‘forever young.’ But if you want to develop your presentational skills, broaden your methodological knowledge, research something relating to public organisations, the ECA offers you to join the like-minded colleagues.

I believe in will power and one of the Shakespearian wisdom is that ‘educated men are so impressive.’ Personally I can only encourage the Romeos and Juliets of the ECA to apply to this programme.

Jussi Bright, one of the ECA auditors who obtained a Master diploma through the ECA – University of Lorraine programme
ECA's cooperation with universities: strengthening the ties between auditors and scholars continued

Following this academic programme requires from each participant an important investment in time and resources. The modules are very intensive and the homework in between needs a lot of preparation. Writing a thesis is a courageous endeavour for a busy auditor. But all these efforts are most often fully compensated by the satisfaction of following state-of-the-art courses taught by professors from prestigious universities and by obtaining a Master diploma in the field of audit. The cooperation between the ECA and the University of Lorraine in this programme has proven a very fruitful one and new projects are in the pipeline for the future.

University of Pisa (Pisa, Italy):

Signed in January 2018, the partnership agreement with the University of Pisa focuses on the launching of the Summer school in public auditing and accountability. The first edition, planned to take place in Pisa from 23-27 July 2018, is currently under preparation. A third professional partner, the Association of Chartered Certified Accountants (ACCA), has also agreed to collaborate with the school.

The topic of the 2018 edition is ‘Data mining and analytics – what implications for auditing?’ The course will apply research-based knowledge to the audit practice. During one week, academics from leading universities and research centres, as well as well-known practitioners from public institutions, will provide participants with original insights into current trends relating to data analytics and audit.

European University Institute (Florence, Italy):

Signed in May 2017, the partnership agreement between ECA and the European University Institute (EUI) defines a vast framework of collaboration. It focuses on improving reciprocal access to documentation; designing and drafting reports and studies; advice and expertise; hosting and organising events (e.g. debates and conferences); cooperation at departmental or service level organising and taking part in residential; online and in-house training programmes; internships for researchers and staff; staff exchanges.

To mention only a few common initiatives already launched in this context:

- the Florence School of Banking and Finance has provided tailor-made training for ECA auditors working on financial supervision and bank resolution;
- the EUI’s School of Transnational Governance provides executive training courses and the ECA has been collaborating with it by allowing researchers’ participation to some of its internal courses.

Finally, further common training actions as well as jointly organised conferences are now under preparation.

Initiatives for academic institutions and scholars

ECA Award for research on public sector auditing

The ECA launched in 2010, for the first time, its ECA Award with the aim to provide an incentive and recognition for research on public audit-related issues. The initiative is open to European academics and researchers who have published peer-reviewed articles or papers, or have written theses based on theoretical or empirical studies, related to public sector auditing, in particular within a European Union context. This can include a wide range of topics, such as, 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 Supreme Audit Institutions and national parliaments.

The **2018 ECA Award for research into public sector auditing** is the fifth edition. The deadline for applications is 15 June 2018. The 2018 edition pays tribute to the memory of Jan O. Karlsson (1939-2016), former Member and President of the ECA, who contributed greatly to the modernisation of our institution.

**Grants on European Public Finances for Postgraduate Researchers**

The ECA, together with the [Historical Archives of the European Union](hosted at the European University Institute) are proposing two grants per year to scholars engaged in research on European public finances, in particular their impact on various areas of European society and culture, and on the historical development of the external audit function in the EU context. The grant scheme is open to any type of researcher (e.g. lawyers, economists, historians or public-finance specialists) interested in the EU’s public finances and the impact thereof. The scheme began in 2007 and has since enabled original research into many areas, such as: the role of the EU institutions, the evolution of compliance, the development of audit methodology, shared management in policy implementation, multi-level governance, regional policy, the emergence of institutional norms and values, etc.

One of the Results of the grants scheme is an interdisciplinary academic research network, called ‘**EUFINACCO**’, the interdisciplinary academic research network that focuses on the EU budget and related issues, and financial accountability in the EU.

**Still a lot of work ahead**

While the collaboration experiences between our institution and academic partners have been extremely useful, there is still scope to expand and approach it more systematically. An ECA strategic goal for 2018-2020 is ‘getting clear messages across to our audiences’, referring explicitly to universities and think tanks. To reach this objective and acquire more visibility and impact among academic institutions, our efforts need to become more structured and sustainable over time.
EU27 civil servants participating in the EUSA ‘ERASMUS for Public Administration’ programme

By Natalia Paquot, European School of Administration

Making Europe real

The ‘ERASMUS for Public Administration’ Programme, (not to be confused with the well-known Erasmus programme for students) is a 10-day traineeship targeted at EU Member State officials who have worked less than five years in national, regional or local administrations and who deal with EU affairs in the course of their duties. It was developed as a result of an initiative by former European Parliament Vice-President Gianni Pittella.

When legislation is prepared, discussed and adopted in ‘Brussels,’ everyone involved needs to understand how the process works, what the mutual needs and constraints are, what can be done and when - including what cannot be done. Even after legislation has been adopted at EU level, most of it must actually be implemented by national, regional and local administrations. The full and correct implementation on the ground is crucial, and demands a good understanding of the context. This is where the ‘Erasmus for Public Administration’ programme comes in, organised and facilitated by the European School of Administration (EUSA).
The programme aims to strengthen participants’ understanding of how the EU institutions, their decision-making processes and policies work in practice, improve mutual understanding of different administrative approaches, foster administrative cooperation and create networks among the participants.

What is it about?

The sessions, organised three times a year, are composed of talks by high level EU officials, training seminars, visits to the institutions in Brussels, Luxembourg and Strasbourg (plenary session of the European Parliament) and include 2½ days of "job-shadowing" in an institution of the participant’s choice.

The European Court of Auditors regularly welcomes these groups and also hosts ‘job-shadowers’, offering them an interesting and intensive programme, including meetings with colleagues from different audit chambers. On 12 March this year, the ‘ERASMUS for Public Administration’ visitors group was welcomed at the ECA by Sandra Diering and Zsuzsanna Csak from the Directorate of the Presidency. They led exchanges with the participants on the ECA’s role, functioning and working methods.

Feedback on the programme

Feedback from participants, Member States and staff in the institutions is very positive, and indicates that the objectives of the programme are being met. The clearest indicator of this is that most Member States that will have the rotating presidency of Council in the near future use this programme as part of their preparation for some of the civil servants who will be involved.

Once back home, participants remain in touch through social media, exchanging best practices, even organising informal meetings in different capitals to continue sharing experiences. They all agree that the Erasmus for Public Administration programme is useful for all civil servants dealing with EU affairs in order to better work together for our shared aims and objectives.
A once in a lifetime experience @ MIT sponsored by ECA

By Ioannis Sopranidis, Directorate Information, Workplace and Innovation

Since 2016 the ECA gives annual performance recognition awards to staff members whose contribution is considered to be outstanding. Until now eight colleagues have benefited from these awards, enabling them to choose from a wide range of courses in prestigious schools and institutes, or arrange a short placement at an organisation to ‘peek’ into its kitchen. Ioannis Sopranidis, IT services manager in the ECA, chose to go to the Massachusetts Institute of Technology, also known as MIT. Below he gives an account of his personal experiences.

The surprise

It was a big surprise when I learned that I was one of the persons awarded the ECA 2016 performance award. I was very happy at the beginning, then I started looking what course to take and where. It was not an easy task and it took me quite some time to examine the many options available to do something useful and unique at the same time.

The choice

I quickly knew I did not want to do business as usual – a usual training. When I was younger, it was a dream to study at a leading university like the Massachusetts Institute of Technology, better known by ‘MIT’ in the US. Already the acronym was magical to me. I wanted to become an engineer, and MIT is the top for engineering studies. However, it was impossible to support this dream financially. Now, some decades later, I decided to make this dream come true, even though it was only for a training programme of a week. With this prize I got the opportunity to follow a course at a leading university, so why not choose MIT.

The university

MIT is one of the leading universities of the world. I was lucky enough to have a tour at all the departments. I hope my children will have a chance to study in a university like this.

The school has produced some of the world’s most brilliant minds. 78 staff members and former students have won the Nobel Prize — nine of whom are currently teaching at the school. While the university offers a wide range of courses from media studies to history and literature, it is in the fields of engineering, mathematics, science and economics that it excels. Students are encouraged to question everything. Students here have designed the bus routes at MIT and even the halls of residence. Or as they call it at MIT: ‘It is a living lab.’
The course

I was looking for a program to help find a way to face the complexity of an organization, together with the interrelated challenges, including technological feasibility, customer desirability, business viability, and environmental sustainability in an innovative way.

The program I followed explored the process of systematic innovation in product development, business processes, and service design, with a special focus on the end-to-end design and development process, beginning with creation and ending with commercialization and ongoing product/service leadership. The program introduced me to a structured approach to design and customer analysis processes that draws on important trends that have become essential to successful innovation in today’s businesses: the digitization of all business processes; the blending of product and service into integrated solutions; and attention for considerations around environmental sustainability.

What did I learn? That there are different ways, end-to-end innovation to design, and developing products from A to Z. It was intensive and demanding, even tiring at some point. However, I enjoyed it greatly and met people from all over the world. What I have kept was that I have to really think about the design of a new product, not in isolation, but using different resources from different fields, from the beginning till the end of the design process.

US and the city

USA. Another world! You can feel it from the moment you land in the US. MIT is located right across the river of a very beautiful city, Boston. You can go walking from MIT over the Harvard Bridge or hop on the metro (called T) and take advantage of a huge variety of places to eat and get entertained. It really has a European atmosphere to it.

A rewarding award

Overall it was a once in a lifetime experience. I am grateful to the ECA for giving me this opportunity. I hope I will have this opportunity once again in my professional career. And I recommend all my colleagues to obtain the same award and enjoy it as much as I did.
Promoting a culture of career-long learning: training in the Internal Audit Service of the European Commission

By Patrick de Boom, Internal Audit Service of the European Commission

For the ECA the Commission’s Internal Audit Service is an important partner to promote good financial management and performance in the Commission’s services. Also regarding learning and development both the external and internal auditors share some common interests. Patrick De Boom, Internal Auditor, who leads the communication and coordination team in the Commission’s Internal Audit Service, provides some insights on what the IAS activities are regarding training and professional development.

IAS’s core tasks and learning

The Internal Audit Service (IAS) of the European Commission provides risk-based and objective assurance, advice and insight to the European Commission and its executive agencies, the EU agencies and other autonomous bodies receiving contributions from the EU budget. Through its audit work it contributes to the effective implementation of EU policies and programmes and to the efficient and economical management of resources by the audited entities. The IAS also contributes to the promotion of a performance culture with a view of bringing about continuous improvement. In this way, it contributes to providing value for money for European citizens and also helps the European Commission in its objective to protect the EU Budget from irregular expenditure and thus to increase public confidence in the European Union.

Since its creation, in 2001, the IAS has become a mature internal audit service committed to quality and excellence. It is successfully implementing its learning and development strategy for its 120 professional internal auditors and is promoting a culture of career-long learning through its Internal Audit Training Programme. The IAS encourages its staff to obtain a professional qualification, to develop capacity building and networking with peers. The positive result of the IAS’s external quality assessment demonstrates that the strategy is helping to maintain a high level of professionalism, skills and know-how amongst IAS staff.

The IAS Internal Audit Training Programme

During the first years of its existence, IAS auditors attended mainly external training sessions provided by the Institute of Internal Auditors (IIA). In 2008, with the support of the Commission’s central learning and development service (DG HR), it launched its own dedicated ‘Internal Audit Training Programme’ (IATP). The IATP is the vocational training programme for the Commission’s internal auditors, and by extension the internal auditors of the EU institutions and agencies. Its main purpose is to develop the knowledge and competences required for internal auditors in accordance with the IIA’s International Standards for the Professional Practices of Internal Auditing as well as the Commission’s internal audit practices. It aims at complementing the general, management and financial training offered by the European Commission, other DGs or Services. Audit training offered by other providers, including the ECA, is taken into account.

The IATP consists of six comprehensive modules, each made up of several training courses. During 2017, 22 training sessions were organised. The entire programme is built on a solid basic knowledge of Risk Management and Internal Control (COSO). It supports newcomers in achieving the desired level of expertise for the implementation of the IAS audit work programme and ensures their continued development.
The programme takes into account the specific needs of the audit teams and offers basic and advanced training courses, including courses on communication skills and leadership.

Most courses of the IATP are delivered by external consultants (through a framework contract) with IAS staff as co-trainers. Some courses are delivered exclusively by IAS staff. The introduction module (INT) is open to other Commission’s functions, such as ex-post controllers, internal control coordinators, evaluators, and other staff willing to prepare for mobility to the internal audit profession. The ultimate goal of the IATP is to prepare internal auditors for an internationally recognised audit certification. This strengthens the credibility of the IAS auditors and increases their leverage in making IAS recommendations accepted.

In parallel with the IATP dedicated audit training through more specialised training courses within and outside the Commission, in particular for IT auditors and audit team leaders, is regularly organised. A regular in-depth training needs assessment is conducted by the Internal Audit Training Steering Committee to ensure that the programme is still in line with the learning needs of the IAS auditors and the changing priorities for internal audit in general.

**Preparing internal auditors for professional certifications**

In order to ensure a diverse talent base, the IAS also recruits staff with relevant experience but who are not (yet) qualified and/or certified as internal auditors.

Every new recruit is encouraged to strive for at least one certification. The training programme allows staff to develop their careers as internal auditors by preparing them to pass a certification test for Certified Government Auditing Professional (CGAP®), Certified Internal Auditor (CIA®), Certified Information Systems Auditor (CISA®) and/or other relevant professional certifications. The target is to have a minimum of 70% of IAS audit staff being professionally certified (target reached).

To assist and support its staff, the IAS pays the membership fee for all IAS auditors to be members of the Institute of Internal Auditors (IIA) and reimburses the membership fees for one further professional organisation.

**Capacity building of internal audit professionals**

The IAS regularly organises Auditors’ Forum seminars, designed to complement the IATP and keep auditors abreast of recent developments in the internal audit profession as well as in the Commission. Topics covered are for example the role of audit committees, International Professional Practices Framework, Internal Control Framework, use of data sets for auditing purposes, HR-synergies and efficiencies, cyber-Security and the Investment plan for Europe. Speakers include Commission staff (representatives of central services or DGs implementing major policies) and audit professionals from the private sector or academia. Approximately 6 seminars take place every year.

Individual coaching sessions aiming at further improving the quality of written communication have been organised (10 sessions took place...
Promoting a culture of career-long learning: training in the Internal Audit Service of the European Commission continued

in 2017). Informal meetings for newcomers with the Director-General are held (5 meetings were held in 2017). Specific meetings to present and discuss the latest changes to the IAS methodology are regularly organised. Auditnet meetings for the decentralised EU Agencies and other autonomous bodies are regularly organised to discuss audit topics and enable the exchange of audit related information as well as updates on common internal control, performance management and data protection issues (2 meetings/year).

Creating opportunities to network with peers

Last but not least, the IAS organises an annual conference, making use of the expertise of highly-skilled professionals (including those from academia) to share with the IAS and the internal audit community their thoughts and best practices in order to improve working methods.

The theme of the 2017 edition, held in Brussels on 5 October, was on "Innovation and creativity in internal audit – Myth or reality?". Highly regarded speakers presented the wider historical, professional and technological developments which are affecting the internal audit profession. The conference was attended by 448 participants (and a proportion of web streaming viewers\(^1\)) and was considered as an excellent opportunity to network with peers and professionals in the internal audit profession on a European public sector scale. The conference has added value to both the IAS and to the participants which represent our stakeholders and peers (see chart below). The feedback received included "great food for thought" and that this was the "best IAS Conference attended so far". A total of 98% of all respondents agreed that the main objectives of the conference had been achieved and that their expectations had been met.

Through its annual audit conferences and other events, the IAS is active in networking with peers and audit professionals in the public sector in Europe, and benefits from the expertise of highly-skilled professionals (including those from academia) to share thoughts and best practices with this community.

Learning and development as success ingredient

Successfully implementing a learning and development strategy is paramount for any mature internal audit service which is committed to quality and excellence. Enabling the IAS internal auditors to become more knowledgeable and proficient also enables them to explore their career path and to be motivated and engaged.

1 In addition, web statistics showed that there were a total of 1009 web streaming views during the live conference with a further total of 674 views following the event.
Learning & Development at the European Commission: becoming a ‘70-20-10’ organisation

By Klaus Ahrend, Learning & Development, European Commission

Statement of Purpose

The general principles of all our Learning & Development (L&D) activities are enshrined in the European Commission’s Learning and Development Strategy that was adopted in the summer of 2016. The key objective of this strategy is to make the Commission a knowledgeable, skilled, flexible and networked organisation serving Europe. This means that all our staff members should not only be supported in acquiring the knowledge and skills they need to do their job effectively, but they should also develop their flexibility to adapt to and to lead change, as well as their capacity to work in a collaborative way and to share their knowledge effectively.

This, however, is only a very simple and rather idealistic statement of purpose – which organisation would not immediately subscribe to these goals? The interesting and definitely most challenging part of the strategy is how exactly to achieve all these objectives. In the following, I want to highlight three crucial elements of our new approach.

The 70-20-10 model and trying to implement it

According to research but also to our own experience, when it comes to work-related learning people only acquire 10% of their skills by following courses and 20% through feedback from colleagues or managers. But with 70% the biggest part of our learning by far stems from on-the-job experiences and assignments.

This, however, represents a considerable challenge for any organisation that wants to adjust its learning & development offer to this model. First, managers at all level have to be convinced that learning today is a lifelong experience that comes in different forms and happens at different times. They should help their colleagues to identify learning needs in a structured way and give them challenging assignments in order to develop their skills. Likewise managers must feel responsible for creating
a constructive learning culture where errors are seen as opportunities and actively encourage that knowledge is transferred from experienced colleagues to newcomers. The latter is generally referred to as legacy learning.

Similarly, staff members have to understand that they are fully responsible for their own learning and should not simply wait until a certain training is offered to them. They should also be encouraged to look independently for opportunities to grow in their jobs, for instance by asking to give a certain presentation on their area of responsibility (in the ‘70 area’), by explicitly requesting feedback from colleagues (the 20 area) or by some self-studies (the 10 area).

**Blended and curated learning**

Significant progress has been made by making available a whole range of different learning materials via our learning management system. At the Commission we increasingly complement our standard classroom training offer with a series of articles, videos or book abstracts made available in our learning management system, thereby following the principles of blended and curated learning. Similarly, our language courses follow state-of-the-art pedagogical principles and are generally very highly rated by the participants.

We have introduced cross-service mentoring, job shadowing and exchange schemes, and, last but definitely not least, there are a number of so-called communities of practice in different areas as well as a variety of online tools to establish and improve internal collaboration and knowledge management. The central learning & development unit offers its services to all Commission officials but also to those of other Institutions, Bodies and Agencies through Service Legal Agreements. Our unit manages the inter-institutional framework contracts classroom and online learning activities. The language learning department – arguably one of the biggest in Europe – has some 20 % of its participants from other Institutions. We also offer several services related to EU Learn the learning platform for management of learning opportunities used by several institutions. Likewise, digital training courses are open to everyone, and tools initially designed only for the Commission are more and more often made available to other services as well. Finally, many interesting programs are open to staff of all institutions, e.g. study visits to EU Member States, China or Norway, and the possibility to become a fellow at top universities around the world.

**Organisational development: cornerstone of Learning & Development**

Apart from these two aspects - collaboration and knowledge management - organisational development (OD) is another cornerstone of our L&D strategy. At the Directorate-General (DG) for Human Resources (more specifically in the L&D unit) we have a team of in-house consultants who provide strategic advice in areas such as organisational design, strategy development, staff engagement and participatory leadership, but also when it comes to redefine business processes or to conceive team learning events. Personally, I am extremely happy to see that the principles of participatory leadership are more and more often applied all over the Commission. In my view it is a powerful approach that not only enhances staff involvement and engagement, but also provides, in principle, extremely thorough analyses and a generally more sustainable decision-making. I regularly receive messages from top managers in different DGs, who all praise the concept and how well it has helped them to tackle even very complex challenges in the area of change management and organisational redesign.
Examples on organisation development

In one particular DG, the internal consultants have over the years been repeatedly involved in processes and seminars supporting re-organisations, working culture change, management culture evolution and capacity building for participatory processes and collaborative work. This mainly included the hosting of team events and management seminars but also individual support to different senior managers. Normally, our consultants work directly with Directors-General and sometimes big project teams including colleagues at all levels of responsibility.

In another DG, the consultants supported the Director-General in implementing a more collaborative working culture. This was achieved through a series of seminars, dedicated training and via professional mentoring to a core team leading the change process. In the meantime, this DG has visibly changed its working approach, introducing fully participatory seminars for middle managers and regularly organising internal meetings that follow the same approach. Moreover, a large number of colleagues from these DGs have acquired good consultancy skills and are now able to work in participatory ways without direct internal consultancy support.

One of our priorities is indeed the development of consulting capacity in other Commission services in order to meet the ever-growing demand in this area but also to allow our internal consultants to concentrate on their 'core activity' that consists in providing advice on new projects and in supporting more significant change processes over time.

Still in the area of organisational development, we have established a network of internal and external coaches that offer coaching for teams, groups or individuals to develop leadership, performance and personal effectiveness to support managers and their teams to address new challenges and lead change in a sustainable way.

Managers’ responsibilities

As already mentioned above, the role of managers in creating a genuine learning culture in the institution is absolutely crucial. At the same time, this responsibility that comes on top of their day-to-day business, also generates a lot of extra work and some non-negligible pressure. In particular middle managers who often have rather big teams 'under their wings' clearly need structured guidance, especially when it comes to support their staff in finding the right learning path.

The Commission offers a wide range of management development opportunities for experienced, newly appointed and future managers to address these needs. For example leadership and management training developed and managed by the Commission or the European School of Administration; opportunities to follow training in business schools; coaching provided by external or internal professional coaches; 180°/360° evaluations as a development tool for middle and senior managers; mentoring for new managers. Recently, we have
also set up a female talent development programme which aims to help the Commission meeting its commitment to increase gender balance in management positions.

**Progress towards becoming a fully-fledged ‘70-20-10’ organisation**

One and a half year after the adoption of the Commission's Learning and Development Strategy it is fair to say that we still have a way to go to becoming a fully-fledged ‘70-20-10’ organisation, and more efforts are needed. Nevertheless, as described above, some remarkable progress has already been made.

In my unit, we have identified this challenge as one of our main priorities and I am confident that I will be able to report on the progress made when I am invited next time to write an article for the ECA Journal.
Focus on blockchain: how the technology underpinning bitcoin could change the audit profession

By Mirko Iaconisi, Directorate External Action, Security and Justice

Blockchain is the technology powering cryptocurrencies. Many people struggle to get their head around this digital, encrypted medium of exchange and are concerned about its volatility and security. Yet the innovative technology underpinning these currencies could potentially be used in many different areas where establishing a trail of transactions is key. And with the word ‘trail’, audit springs to mind. Mirko Iaconisi, who has keenly followed developments in blockchain since its early days, introduces the concept and explains how it might change the work of auditors and accountants.

Blockchain frenzy

2017 was the year of the blockchain frenzy. The birth of hundreds of start-ups, the interest shown by important institutions and abundant media coverage transformed ‘blockchain’ into a buzzword and turned the spotlight on what had for years been a niche pastime for engineers and cypherpunks. Although still in its infancy, this distributed ledger technology (DLT) is gaining traction. It promises to challenge incumbents and transform business models in not only the financial sector but also a wide range of other areas, such as healthcare, energy, logistics, intellectual property rights and government services.

The EU Institutions have been actively monitoring this emerging trend. In 2017 the European Parliament produced an in-depth analysis and hosted the first interinstitutional workshop. In the Digital Single Market mid-term review, the European Commission acknowledged DLT’s wide potential for public authorities, businesses and society in general. On 1 February 2018, the European Commission launched the ‘EU Blockchain Observatory’, with a €500 000 budget and the aim of building an EU expertise hub. In a separate tender, the Commission has also called for a study on the feasibility of EU blockchain infrastructure and the opportunities it presents.

As the pace of technological development accelerates and interest within the EU becomes more concrete, the ECA has started to take a closer look at this set of technologies and prepare for the changes it might bring. So, what is blockchain’s value proposition and why should auditors watch it closely?

The origin

Blockchain was born – both conceptually and in practice – in the wake of the 2008 global financial crisis. While Lehman Brothers was filing for the largest bankruptcy in US history and the financial collapse was eroding trust in the financial system and its players, an unknown cryptographer, working under the pseudonym of Satoshi Nakamoto, published a white paper called ‘Bitcoin: A Peer-to-Peer Electronic Cash System’. It defined a set of rules, or protocol, providing a decentralised system for value transfer, which would rely not on the ethics of human beings or trust in an institution, but only on sound mathematics and cold computer calculations. Nakamoto’s proposed system aimed to bring a high level of traceability and security to online economic transactions and was a well-balanced combination of elements coming from different disciplines, such as computer science, cryptography, economics and game theory. It did not have a central
Focus on blockchain: how the technology underpinning bitcoin could change the audit profession continued

governing body; instead, it had a built-in set of incentives automatically rewarding actors who contributed to its operation and development. The bitcoin protocol put the emphasis on security; for that reason, it had a limited set of features and only one purpose: to allow users to safely exchange its native asset. This native asset, also known as ‘bitcoin’, was the first decentralised cryptocurrency.

Over the years, bitcoin has proven to be an extremely resilient protocol: it has weathered a remarkable number of threats, including cyberattacks, government bans and extreme price volatility. Riding the wave of enthusiasm for this success story, developers worldwide started to work on new blockchain projects, tackling brand new use cases. Today, there are over 1500 blockchain initiatives, with a variety of applications that go far beyond cryptocurrencies.

**How it works**

We can describe a blockchain as a distributed ledger which records transactions between peers efficiently and in a verifiable and permanent way. Without going into the technical details, the best way to understand what this means is to compare this new concept to the status quo.

Conventional ledgers are centralised: each financial institution hosts and maintains its own database of transactions, which no one else can view. This approach has a few drawbacks. First, financial institutions and intermediaries need to be trusted to behave ethically. Second, their centralised ledgers are single points of failure, i.e. preferential targets for malicious attacks. Third, some operations (e.g. inter-bank wires) may require lengthy settlements due to the involvement of two or more intermediaries.

Distributed ledgers propose an entirely different paradigm by sharing the same database of transactions (the unique source of truth) among a network of peer nodes. Each node holds a complete replica of the common ledger and independently verifies the regularity of any new transactions. Nodes must always reach a consensus: only if the majority deems a transaction valid, is it added to the ledger. Validated transactions are organised in blocks and each block is sealed to the previous one using a cryptographic signature. This creates an ever-growing chronological chain of blocks, hence the name ‘blockchain’. It is key to note that the ledger is public and transactions are easy to track. Contrary to what most people think, cryptography is not used to obscure information; it is used to guarantee its integrity and immutability over time. In fact, nothing is ever deleted or modified in a blockchain. Confirmed transactions are permanent because any attempts at ex-post manipulation would alter the cryptographic signatures and invalidate the chain. The peer nodes would detect and automatically reject the change.
Applications and current state of the art

Now that we have summarised its basic functioning, we’ll look at blockchain’s advantages over traditional systems. Blockchain’s flagship feature is censorship resistance. Since the ledger is replicated in thousands of peer nodes worldwide and protected with strong cryptography, there is no central point of failure, or ‘head,’ that can be severed to stop the system. It can withstand malicious attacks and government bans. This characteristic makes it a good platform to host digital ‘store of value’ assets.

A second key feature is the ability to perform peer-to-peer self-settling transactions. Users do not need to know their counterpart or have a trusted intermediary: the protocol itself provides trust and guarantees the regularity and quick settlement of the transactions. This cuts the number of intermediaries and can lower costs, counterparty risk and execution time. Cryptocurrencies and payment systems are the main applications in this case.

A third flagship feature is the immutability of the data. A tamper-proof, time-stamped and immutable database is a perfect fit for registries and notary functions. The unique digital signature of a document (hash) can be stored permanently on a blockchain and used as ‘proof of existence’, without revealing the actual content of the document. In addition, anyone receiving a copy of the document at a later stage can verify its authenticity and integrity by checking whether its digital signature matches the original stored in the ledger.

Two recent examples of where the distributed ledger technology is used are: a) Georgia, which is migrating the country’s land title registry to a blockchain; and b) the Luxembourg Stock Exchange, which applies a similar procedure to its publically disclosed documents. Countless other applications are currently being tested, such as identity management tools, smart contracts, universal healthcare records, supply-chain tracking and the tokenisation of illiquid assets.

Although very promising, distributed ledger technology is young and has some issues that still need to be addressed before mainstream adoption. Distributed ledgers cannot yet match the speed (throughput) of existing centralised solutions, and user interfaces are still too complex. In addition, transactions cannot be reversed. While this guarantees censorship resistance, it also hinders law enforcement in cases of fraud, hacks and other criminal activities. Finally, public blockchains are, by design, borderless: they span multiple jurisdictions, raising regulatory and governance issues. Solutions are on their way, but realistically it will take a few more years to fully overcome these limitations. What is clear, however, is that the technology is here to stay, making now a good time to reflect on how widespread adoption could benefit public authorities and affect the professional life of auditors and accountants.

Future outlook and impact on audit

Public authorities and non-profit organisations could adopt distributed ledgers to improve transparency and trust vis-à-vis citizens. Three practical examples can be found in public procurement, voucher schemes and humanitarian aid.
Focus on blockchain: how the technology underpinning bitcoin could change the audit profession continued

Box 1 – Practical examples of potential blockchain applications for public authorities and NGOs

**Public procurement**
Authorities could immediately record the footprint of any public procurement documents they receive on a blockchain. This would strengthen accountability: citizens would be able to monitor the procedure and verify the number of respondents, the type of documents sent and the respect of deadlines. The traces on the ledger could also act as non-repudiable evidence in case of legal disputes.

**Voucher schemes**
The Wifi4EU project aims to provide free Wi-Fi connectivity in public spaces everywhere across Europe by granting local authorities vouchers for the installation of the necessary equipment. Rooting this type of voucher scheme in a blockchain would allow for traceable payments of EU funds. Funds could be tracked end-to-end, starting from the EU Institutions, going via the local authorities and ending with the private service providers.

**Grants and cash-based assistance**
Grants and cash-based assistance on a distributed ledger could make humanitarian aid transparent by design. Having multiple donors working on the same ledger would also provide a clear overview of the cash flows, and therefore help to spot gaps and overlaps. The UN’s World Food Programme was the first mover: in 2017, the humanitarian organisation completed a pilot project to send cash-based assistance to Syrian refugees and plans to continue building on this use case.

These are just three simple cases, but the DLT could dramatically reshape many core business processes. Auditors will therefore need to understand the key principles of this new set of technologies to redefine what needs to be checked and how.

What might audit work look like in future? The use of DLT in economic transactions would bring high levels of traceability and security, even in the absence of trusted third parties, thereby simplifying some audit tasks while simultaneously opening the door to new audit practices. When it comes to audit documents and evidence, distributed ledgers could provide time-stamped, non-repudiable audit trails. Registering key documents on a blockchain could become common practice among enterprises and institutions. This would allow auditors, at a later stage, to instantly verify the authenticity and integrity of digital files received from auditees. Electronic documents would become as reliable as their original paper versions, thus paving the way for fully digital audits.

Source: European Court of Auditors; icons from flaticons.com, licensed by CC 3.0 BY, made by Eucayp, Freepik, Smashicons
As regards payments, there would be no more need for reconciliation of accounts or settlement of transactions. We can therefore expect most related activities to disappear. However, since an entire population of transactions would become accessible and auditable, we can foresee the birth of new auditing techniques. With a combination of blockchain, data analytics and some artificial intelligence, future auditors could run partly automated analyses of financial accounts. Instead of sampling with the aid of ad hoc software, they could process the whole population of transactions and isolate anomalies or suspicious patterns. They could then focus their efforts on these anomalies, with a higher probability of finding errors. Moreover, since confirmed transactions are by definition ‘final’, auditors would not necessarily have to wait for the closure of the year to perform checks. With the assistance of dedicated software, real-time audits could become possible. All transactions for a given auditee could be constantly monitored and auditors kept informed as soon as specific events (e.g. payments) take place or the system detects an anomaly.

**The ECA as a future-ready institution**

There is room for many more applications and probably some of the use cases for this technology have yet to be discovered. The non-exhaustive overview presented in this article is intended to raise awareness and provide food for thought on the changes that may already be on the horizon. The ECA has been actively monitoring this trend and working on building up in-house expertise, trying to live up to the ECA’s strategic aim of making full use of new technologies in its audits. In 2016 Christine Stark, a principal manager at the ECA, published the ECA’s first article on blockchain. In 2017 she and a group of volunteers organised a series of training events to raise awareness among ECA staff. In parallel, they reached out to other institutions in view of future cooperation.

This year, the group will step up its efforts: working within the framework of the ECALab – the ECA’s laboratory for testing new audit technologies – the group members will build and share knowledge, stay on close technology watch and strive to work on joint initiatives with other relevant actors. In addition, the ECA is currently building a proof of concept for a blockchain-based registry, which could be applied to several use cases. By being among the early movers, the ECA has a chance to become a relevant, future-ready player, able to understand and anticipate the changes that distributed ledgers may bring.
On 1 March Hannu Takkula succeeded Ville Itälä as the new Finnish ECA Member. Before starting at the ECA, where he has been appointed to Chamber III - External Action, Security and Justice, Hannu Takkula worked as a teacher, radio journalist, editor, accountant and politician. He spent 13 years as a Member of the European Parliament in Brussels and has extensive experience in the areas of culture, sports, finance, trade and foreign affairs. In addition, Hannu Takkula comes across as a real family man and a gifted musician. We interviewed him about his work, passions and outlook for his future at the ECA.

Mellow Mersch

In May Hannu Takkula will move into his new apartment in Mersch, a small village located in the green and hilly countryside north of Luxembourg City. Perhaps an unexpected move for a busy politician who spent 13 years in the beehive of Brussels, but a logical one, as he explains. ‘For the last 13 years I have lived in cities. Most of the time in Brussels, and in Helsinki as well. But in essence I am a country boy.’ He specifies: ‘I grew up in the remote surroundings of Lapland where our most famous neighbour was Santa Claus. So I am not a real fan of big cities, even though I like to visit them. But as a place to live, I prefer the green.’

Apart from the countryside, Hannu Takkula is also looking forward to diving into the cultural life Luxembourg has to offer. He recalls having visited Luxembourg already several years ago for a concert in the Rockhal, which immediately gets him excited about music. Then he suddenly rummages in his cupboard a bit, to pop up seconds later with two CDs. Laughing and with a hint of pride he says: ‘These are some of my own songs that I recorded in the 80s and 90s! They are mainly in Finnish, of course, and a reflection of my journey.’ He continues: ‘As an MEP I had to put my musical career more or less on hold and I did not have time to make up so many new songs anymore. But it is nice to strum a bit and I will try to find the time for it again here in Luxembourg.’ He adds that he comes from a very musical family: ‘My parents used to organise musical events for our community in the local
Interview with Hannu Takkula, ECA Member continued

village house and I seem to have passed these genes on to my eldest son as well, who is a professional musician and currently works as soloist in the Finnish national opera. He confides that his other son has a business related to online sauna sales: ‘As you know saunas are a big thing in Finland, almost every house has one. And by sauna I mean the real thing, not just the sort of hot room you can find here. In Finland, it is almost a sacred, holy place. It is part of our culture.’

**Catch the diversity**

From a more professional point of view, Hannu Takkula is also very happy to be in Luxembourg. During his years as a parliamentarian in Finland and as an MEP in Brussels he has dealt with several ECA reports at some point, although never as a rapporteur. He is excited to have the chance to change and to work from the ECA’s side of the fence. ‘My first impression has been very good. In the discussions at the ECA, I have noticed that our staff have a lot to bring to the table. Moreover, the ECA Members come from such varied backgrounds and fields. It is a good mixture of former lawyers, politicians, auditors, economists, etc., and I think it helps to have a broader view, to see the bigger picture.’

Hannu Takkula considers a diverse environment in general to be beneficial for people and organisations, as he experienced in his own life as well. ‘I have worked with different kinds of people from different cultures and even my own family is quite multicultural; one of my sisters is married to an Israeli, one to a Kenyan, another one to an Italian and my brother’s wife is Danish.’ He continues: ‘So many different backgrounds and when we are all together, we have seven different religions at the table,’ and - laughing - ‘It is like that Donovan-song! It helps to get to know other people’s way of thinking. Something that is also good to remember here at the ECA, where we work together with colleagues from 28 different Member States with different habits and different ways of handling issues.’

**Epistle to facts**

From the outset of the interview, it is clear that Hannu Takkula has a multifaceted background, both regarding his personal interests and his professional background. When asked about the red line in his career from an elementary school teacher in the secluded northern region of Finland, to becoming the new Finnish ECA Member, he answers unhesitatingly: ‘I want to do something for the common good and to be active in society. My family has always been very active in our community and in voluntary services - both my parents were teachers - and this has had an impact on my career choices as well.’ He then speaks about his inner drive to work for the common good, explaining that serving other people has been something he tried to do in all aspects of his life: ‘On a smaller scale as a musician, and professionally as a teacher who prepared students for society. But also as a journalist and as an accountant.’ Then with a smile: ‘And of course also on a more abstract level as a politician. But especially growing up in a socially very active family.’

Hannu Takkula’s diverse background and working experience will undoubtedly prove to be an advantage for his new responsibilities at the ECA. However, does his time at the European Parliament also entail the risk
of a conflict of interest? ‘I don’t think there will be a conflict of interest, but to be on the safe side, I have to be careful with regard to certain issues that I might have dealt with as a member of the EP Committee on Trade, for example.’ He continues: ‘It could be possible that I have been involved in decision making regarding legislation that the ECA may audit in the future. Not an unlikely scenario for the audit chamber I am in, but if such cases were to arise I can always consult the ECA’s Ethical Committee to stay clear of potential conflicts of interest.’ Hannu Takkula thinks his experience as a member of committees and delegations in the area of foreign affairs, human rights, international relations, defence, and international trade will actually prove to be helpful. ‘They have provided me with a good understanding of numerous policy areas the ECA will have to look into in the years to come. So one could say it is actually an asset to have seen several topics from the other side as well.’

MEP’s blues

Hanny Takkula points out that from his previous jobs he knows the aims of certain projects and understands the constraints the European Parliament has to work with. ‘Nowadays the MEPs are under huge pressure to make decisions, and they often have to think about upcoming elections as well!’ He then reflects: ‘I think that people and politicians nowadays follow more the narratives than the facts. Brexit is a good example of that. In the discussions prior to the vote facts often did not prevail.’ He considers this a trend in the EU as well. ‘People say, ‘This has happened, you need to do something!’ Then, if you ask them what the facts are they answer: ‘I saw it on Facebook!’ Hannu Takkula believes that many people are no longer interested in the sources of information, or whether something is a fact or not: ‘They rather believe a good story or a convincing narrative and MEPs take decisions to please these citizens, while they should actually do what is best for the EU and its citizens!’

In a way, Hannu Takkula also sees his new job at the ECA as a relief. ‘I am looking forward to being able to exclusively focus on the facts. In the doctoral thesis I presented in 2016 I already wrote that I like to do research and go into issues deeply, which is something that is more or less impossible when you are an MEP. Your agenda is eaten up by five busy days in Brussels and at the weekends you have to talk to your constituents. You do not even have time to be with your family!’ According to Hannu Takkula voters expect you to be the master of everything. ‘If they ask a question about cohesion policy, the next Multiannual Financial Framework, a Greek bailout programme, or refugees, and you do not know the answer right away, they will say: ‘But you are the MEP, you should know!’ You have to be a jack-of-all-trades, but that is simply impossible, as an MEP you don’t have the time to go into issues that deeply.’

Hannu Takkula gives a specific example of how a narrative became more important than facts. ‘Some years ago in Egypt, when the Arab Spring started to unfold, the narrative here in Europe was that the Egyptian people took to the streets, demanding democracy and liberalism and that the people who were in power could not control the activism due to social media and the internet. And in the European Parliament a lot of people advocated we needed to support them.’ He points out that he...
happened to follow Egypt and the situation in the Middle East rather closely and he had travelled the region quite lot. ‘I had my doubts about this narrative and asked the Finnish ambassador to Egypt what his assessment of the situation was. And he told me that in fact less than 1 % of the Egyptian people had free access to the internet and that most protests were actually organised and controlled by the Muslim Brotherhood, not the sort of group a liberal European would like to be associated with.’ He continues: ‘Changes like this worry me as you can see that movements are created by a couple of clicks on social media and that people believe everything without questioning the story that is presented!’

Looking back Hannu Takkula concludes: ‘I liked working as an MEP, but in the last years, stating the facts and basing your decisions on these facts became less and less sexy. So, I am looking forward to being able to do that here at the ECA. Moreover, although there will always also be a risk that people are not interested in the facts brought to light by the ECA, it is still our task to uncover and present them. Independently and impartially.’ He sees this as a key responsibility for the ECA - to work completely independently of the European Parliament, the Commission or the Council. ‘Because if we do not do so, and at some point in time something goes wrong, if a crisis emerges – and I have no doubt it will – EU citizens will ask us where the independent external auditors were. That is why we have to remember to base our work on cold hard facts and be independent.’

Values in the sun

Hannu Takkula has a clear perspective on his new role: ‘Times are not getting easier and the main thing we need to keep in mind is that we audit the taxpayers’ money. And our only job is to look after it.’ He adds: ‘We need to keep asking the question: how does this subsidy or that project benefit and promote core EU values, such as the rule of law, freedom of expression, and human rights?’ He believes this to be especially important in the audit chamber he is allocated to, looking at measures and programmes in the areas of External Action, Security and Justice. ‘They should be in the limelight in many of the audits we do and the ECA needs to be a constructive but also a critical, impartial and independent voice. And we should cherish this reputation. This is the reason the ECA exists.’

Hannu Takkula explains that he is especially interested in performance issues. ‘Even though it is important to carry out financial and compliance audits, I think it is even more important to audit performance. We need to go beyond the demands of the regulations and see if the funds have been used according to the 3 E’s. That is what the citizens want us to do – to tell them if the money was well used.’

There is a Brexit

Besides independence, transparency is also high on Hannu Takkula’s list of priorities. ‘When we talk about public money, we have to call things by their name and strive to be completely open. I know there can be sensitive issues, but if the EU ‘accepts’ the taxpayers’ money, it also has to
accept the obligation to be honest and transparent about how it spends those funds.’ He elaborates further that if the EU uses money for purposes that some taxpayers do not agree with, they have the right to know, so they can complain to their politicians.

Hannu Takkula underlines the importance of values in the EU: ‘Earlier you asked me about the challenges and opportunities I think the EU and the ECA will have to face in the upcoming years, and I think they are related to our European values.’ He believes that issues such as transparency and gender are important and should have the ECA’s attention. ‘Take for example the fact that there has never been a female audit director at the ECA, even though there have been many competent candidates. This would be unthinkable in Finland, Sweden or the Netherlands.’ He continues: ‘As an EU institution the ECA has to lead by example. We have to talk about these subjects and act on them because it is our duty as the EU to promote these values and in addition to that, it is directly related to our credibility.’

Another big challenge Hannu Takkula sees in the near future is Brexit. ‘I think it is the biggest problem we have had to solve thus far and one that will have far-reaching consequences on all layers of the EU. He points out that the impact can already be seen, for example in discussions about cohesion policy with questions on how to make the necessary cuts to the EU budget and how to distribute the reduced funds in the future. He adds: ‘More in general, Brexit is related to a fundamental change in people’s attitudes that has taken place in recent years. I remember that, when Finland joined in 1995, there was huge enthusiasm and such a great feeling of solidarity. We had a common goal to develop and build our society, whilst now the EU is under attack from nationalism. And I think that is a big threat.’ He recalls that when he started in the European Parliament in 2004 there was clearly a common goal: ‘We put the European benefits first. Our starting point was that if something was good for Europe, it was good for the Member States, whereas now the Member States do not think about what is good for the entire EU in the long term, but merely about what is good for their own country in the short-term. This change has taken place in the last few years.’

The new ECA Member observes: ‘This shift has also been fuelled by a change of perspective at the level of the electorate. Nowadays voters say, ‘if you want me to vote for you, what are you going to do for me?’ People think that all the other Member States take advantage of them, yet they do not see how they themselves benefit from the EU as well. People do not see the bigger picture anymore. It is all about ‘what is in it for me?’ Hannu Takkula thinks back to the time when he negotiated a free trade agreement: ‘People in Finland would come to me and say ‘Hey, this does not benefit me, it only helps the big corporations and all the money will end up in the pockets of the big bosses!’ However, they should see that these free trade agreements are in fact intended to help small companies, the SMEs, and their employees!’
Interview with Hannu Takkula, ECA Member continued

Brexit’s sunshine

Hannu Takkula laughs when he announces that he does not only see obstacles on the road ahead: ‘Paradoxically, Brexit has also helped the EU to close its ranks and Member States to get closer to each other again. In Finland for example, some of the most critical voices have now fallen silent or have taken a more constructive approach.’ He believes this is a positive development and there is now a momentum to explain and to convince citizens that the EU and its values are important and worth a fight. ‘I think Brexit has taught us the lesson that we need to know all the facts before we take a decision. Because it is not easy to claim the EU is not benefitting the Member States if you look at the bigger picture and take into account all the facts.’

Hannu Takkula ends with a wish: ‘I really hope every Member State will enter the upcoming elections for the European Parliament with the best possible candidates. Politicians who have the necessary knowledge and that can see that bigger picture and are willing to speak up for it. Because we need leadership. Europe needs leadership!’

NB: fans of Donovan’s music might have noticed that the titles of the subsections in this article loosely refer to songs he has written.

Season of the teacher

In the light of the special theme for this ECA Journal, we also asked Hannu Takkula about his views on training and professional development, because he seems to exemplify lifelong learning, having studied education as a young man and received a doctorate in education from the same university (University of Lapland) in 2016.

He commented: ‘On a more general level, education has always been my interest - of course, as a teacher in Lapland, as a parliamentarian in Finland, leading the government negotiations concerning cultural and education programmes, and as a member of the Committee on Culture and Education in the European Parliament’. He considers it important to continuously develop yourself and to make changes regularly. ‘One should start something new every 5 to 7 years. This keeps you interested and helps to keep the brain fit. I believe in learning by doing and that it is important to keep yourself active. That is why I studied education, sociology, culture, and economics and many other things. At any given moment, I have different projects going on.’
Parliaments and financial autonomy

The debate focused on the key issue of the financial autonomy of Parliamentary assemblies. Both academic and parliamentarian speakers elaborated on this autonomy and analysed it through the prism of different parliamentarian systems in Member States. On the one hand, financial autonomy is considered as an element allowing the independence of Parliaments with regard to the executive power as part of the separation of powers. On the other hand, it can also imply the possibility for Parliaments to free themselves from the rules of ordinary law.

Throughout the discussions, it emerged that the principle of separation of powers has a different meaning depending on the institutional set up of the Member State: a unicameral parliamentary system (having only one ‘house’) or a bicameral parliamentary system. In relation to a bicameral parliament, the question arises whether financial autonomy is applicable as a whole or separately to the Senate and the House of Representatives. In such a case, it has to be understood as a prerogative of each chamber in regard of their respective roles (e.g., France, Italy, Romania and Spain).

On 22 and 23 March 2018 academics, politicians and former politicians discussed at a two-day symposium organised by the European Court of Auditors the financing of Parliaments in Europe. Both Stéphanie Girard and Loris Corzilius, working in the private office of Danièle Lamarque (who initiated this symposium) were very much involved in organising the event and provide some insights on the main points that emerged from the discussions.
One might think that a unitary state would necessarily involve one unique parliament and a federal state would be composed of several parliaments. In reality, this is not always the case, as demonstrated in Spain, a unitary state with regional parliaments. Indeed the Parliament of Catalonia has stronger competences compared to the ones of parliaments of most federal states.

**Constitutional connections**

The financial autonomy also varies according to whether the principle is enshrined in the constitution of each Member State or not. National constitutions rarely contain an article expressly recognizing the financial autonomy of Parliaments. Spain is one of the examples where the very principle is included in its Constitution (Article 72). If the legislators choose not to insert this principle in their national constitutions, this is often so because the Parliament’s financial autonomy is supported by other texts. This is the case in France, where the Ordinance of 17 November 1958 and more broadly the jurisprudence of the Conseil constitutionnel ensure the financial autonomy of the Parliament. In Italy, this principle is found in the regulation of both assemblies.

Yet, and this is a paradox, even when the principle is enshrined in a constitution, it does not necessarily mean that it is fully applied. In Romania for example, even though the Constitution includes a provision on the financial autonomy of the Parliament (Article 64) the practice suggests a certain interventionism from the government on the budgetary spending of the two chambers.

Finally, the excessive use of, or reference to, the principle of parliaments’ financial autonomy was discussed. Notably, in states like Spain or Italy, the need to respect this principle is used to justify the absence of external control of the accounts, which are therefore often only controlled internally. At the EU level, however, the ECA audits the European Parliament.

**Nuanced picture**

To conclude, the idea that an autonomous parliament would necessarily have strong powers should be nuanced. While financial autonomy is one of the compulsory conditions to ensure that a parliament can fulfil its duty in full independence, it is not the only one. The example of the French Parliament supports this view. It exhibits a considerable degree of financial autonomy but its powers, for example in relation to public policy budgeting, are strictly regulated by the French Constitution.

At a time when European citizens are calling for increased transparency from national and supranational authorities, this symposium provided an excellent opportunity to explore the theme of the financial autonomy of parliaments and its implications.
Reaching out

Performance audit on JASPERS - coordinated audit and presentation at the Croatian Parliament

By Thomas Obermayr, Private Office of Oskar Herics, ECA Member

JASPERS: An EU approach to investment in cohesion

The JASPERS story started in 2006, when the European Commission together with the European Investment Bank (EIB) agreed to establish a new initiative, known as “Joint Assistance to Support Projects in European Regions” (JASPERS).

JASPERS was one of the European Union’s responses to the 2004 and later enlargements. New Member States with limited experience of, and capacity for, managing EU funds could benefit from relatively large amounts of European Regional Development and Cohesion funding. The aim was to provide the new Member States with independent and free-of-charge advice for the preparation of high-quality large-scale projects, enabling the countries to obtain the full benefits of EU cohesion policy. From 2014 onwards, the JASPERS initiative was opened up to all Member States and candidate countries. JASPERS mostly provided assistance on project development, such as feasibility studies, project application forms, cost-benefit analyses, and funding and financing issues.

Between 2006 and 2016, the Commission approved over 950 major projects. JASPERS supported more than half of them. The amount invested in these projects came to around €78 billion, with an EU contribution under the Cohesion and European Regional Development Funds of about €46 billion. The cost of JASPERS support for them was about €284 million, to a large extent funded from the EU budget.

Under the auditors’ microscope through a coordinated audit

At the ECA we assessed whether JASPERS had made a positive contribution to EU co-financed projects in the Member States, examining the institutional set-up and planning, the impact of JASPERS activities on the quality of the projects and countries’ administrative capacity, looking in particular at four Member States – Croatia, Malta, Poland and Romania. Our audit was part of a coordinated audit with the Supreme Audit Institutions (SAIs) of Croatia and Poland. Both SAIs undertook their own audits at national level and produced their own individual audit report. The operational details of this coordinated audit were set out in a Memorandum of Understanding signed in March 2016.

The ECA published its report on 11 January 2018 (Special Report 01/2018). In the report we concluded that the JASPERS assistance provided by the Commission and the EIB needed better targeting to achieve the best added-value. In addition, we identified shortcomings in JASPERS’ operations and measurement of achievement of objectives. At the same time, the ECA also found that major projects assisted by JASPERS were less frequently affected by legality and regularity errors.

Earlier this year the Supreme Audit Institutions of Croatia and Poland, together with the ECA, published a ‘Synthesis Report’ on the results of a coordinated performance audit of ‘Joint Assistance to Support Projects in European Regions’ (JASPERS). This report was presented in March 2018 to the Croatian Parliament. Thomas Obermayr fills us in on what the audit was about and the presentation of the report co-authored by the three SAIs.
Presentation of a ‘Synthesis Report’ to the Croatian Parliament

The Heads of the SAIs of Croatia and Poland and the ECA Reporting Member also issued a common statement summarising the audit objectives, and a summary of the key results of the coordinated audit together with the key messages of the three audit reports in a ‘Synthesis Report.’

The main conclusions of the Synthesis Report were:

• JASPERS had a positive impact on the quality of the underlying project documentation and thereby contributed to quicker project approval at Commission level. The impact of JASPERS was more visible when it was involved at an early stage of project preparation.

• JASPERS’s positive impact on the administrative capacity of the Member States had not yet resulted in a higher degree of independence from JASPERS assistance.

This report was issued on 21 February 2018 and presented on 22 March 2018 to the Croatian Parliament by ECA Member, Oskar Herics, and the Auditor General of the State Audit Office of Croatia, Ivan Klešić. The presentation, followed by an intensive question and answer session, which took place in a joint meeting of three parliamentary Committees:

- the Committee on Regional Development and European Union Funds,
- the Finance and Central Budget Committee, and
- the Committee on Maritime Affairs, Transport and Infrastructure.

During the presentation the representatives of both SAIs highlighted the JASPERS audit as a positive example of international cooperation and emphasized the benefits of the mutual exchange of experience, views and ideas for their work. As ECA Member Oskar Herics pointed out: ‘Collaboration has proven to be a cost-effective way to get more reliable audit results, which has brought significant added value to all.’

Presentation of the Synthesis Report on JASPERS by ECA Member Oskar Herics (left) at the Croatian Parliament on 22 March 2018
European Ombudsman Emily O’Reilly took part in a very well attended staff information session. She explained the staffing arrangements of her Office, based formally in Strasbourg but with almost all investigative staff now in Brussels. She presented the geographical balance of complaints and the subject-matter involved. She insisted on the category of own-initiative inquiries, which were key to her strategic pro-active work, mentioning an ongoing inquiry on transparency in the Council. The Ombudsman also gave a rough guide of how a complaint is dealt with and, if needed, be escalated to the appropriate level, which proved insightful.

The Ombudsman also highlighted the Award for Good Administration, which was seen as an incentive to improve service from, and reward best practice within, the EU institutions. The floor was also opened for questions, which allowed several staff members to ask a range of questions to the Ombudsman.

Following this, Emily O’Reilly was invited to a working lunch together with ECA Members. The objective of the meeting was to strengthen relations between our Institution and her Office, to explore ways to exchange information, and to discuss issues of common interest.

To wrap up an intensive day of fruitful exchanges, she subsequently met some ECA Members bilaterally, for instance Mihail Kozlovs concerning his ongoing audit on the ethical framework in the EU institutions.
On 11 April 2018, the ECA welcomed a delegation from Aruba's Court of Auditors (Algemene Rekenkamer). The delegation from Aruba's Court of Auditors was headed by its acting President, Frederick Nuboer, and included its newly appointed Members Rick Samuels and Lay Hing Yee-de Kort and its Acting Secretary, Melissa Thijsen-Rasmijn. They met with ECA Member Alex Brenninkmeijer to discuss the ECA's new strategy for the period 2018-2020 and the recently published ECA report on Public Private Partnerships in the EU.

Visitors from Aruba’s Court of Auditors: common issues and areas of interest
By Derek Meijers, Directorate of the Presidency

Micro and macro

The delegation of the Court of Audit of Aruba (CAA) primarily visited the ECA in Luxembourg to learn more about auditing the ECA’s working methods and audits. CAA President Frederick Nuboer: ‘The ECA operates on a macro level and the CAA on a micro level, and it really broadens your way of thinking to see how similar organisations like the ECA carry out their audits.’ He explained that his delegation had quite a tight agenda with visits to several municipal and provincial audit offices in the Netherlands. ‘It is interesting to see how other small audit bodies with limited resources manage to produce a lot of output. For example the Audit Office of the city of Rotterdam, a small office that nonetheless deals in its works for 3 or 4 different municipalities, or the provincial Audit Office in the city of Eindhoven, that works for three provinces.’

<table>
<thead>
<tr>
<th>Aruba</th>
<th>Facts and figures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geography</td>
<td>island in the Caribbean Sea, north of Venezuela (+/- 180 sq.km)</td>
</tr>
<tr>
<td>Capital</td>
<td>Oranjestad</td>
</tr>
<tr>
<td>Population</td>
<td>115 120 (July 2017 est.)</td>
</tr>
<tr>
<td>Nationality</td>
<td>Aruban</td>
</tr>
<tr>
<td>Status</td>
<td>Aruba is one of four constituent countries of the Kingdom of the Netherlands; the other three are the Netherlands, Curacao, and Sint Maarten; Aruba has full autonomy in internal affairs; the Dutch Government is responsible for defense and foreign affairs</td>
</tr>
<tr>
<td>Government</td>
<td>8 ministers, in charge of 80 departments</td>
</tr>
<tr>
<td>Annual budget</td>
<td>+/- 1 billion AWG (+/- 500 million EUR)</td>
</tr>
<tr>
<td>Supreme Audit Office</td>
<td>Algemene Rekenkamer/Court of Audit of Aruba (CAA)</td>
</tr>
<tr>
<td>Staff</td>
<td>12, of which 7 auditors</td>
</tr>
<tr>
<td>Output</td>
<td>Annual reports, other audit reports. The CAA can decide on its audits independent from government</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.rekenkamer.aw/main/">http://www.rekenkamer.aw/main/</a></td>
</tr>
<tr>
<td>Mandate</td>
<td>compliance and performance</td>
</tr>
</tbody>
</table>
Public Private Partnerships - an issue of major interest for Aruba

Aruba recently financed two big infrastructural projects by means of public private partnerships (PPPs). One project, the construction of a major road from the island’s capital, Oranjestad, to San Nicolas, suffered from a number of problems stemming, amongst other factors, from a lack of experience with PPPs, and because Aruba is a small island economy that is dependent on international finance. Another important element is that the government of the Netherlands, because of Aruba’s status, has a say in the islands finances.

Lay Hing Yee-de Kort further explained that it was the first time Aruba made use of PPP projects: ‘Therefore we are very interested to know how these are dealt with in other parts of the world.’ She indicates that she read the ECA’s recent Special Report 9/2018 on Public Private Partnerships in the EU with great interest. Frederick Nuboer: ‘The potential consequences of such projects are considerable for the relatively small annual budget of Aruba, so it is very helpful for us to discuss the conclusions and recommendations of your report on Public Private Partnerships. We can use that information in future audits.

Clear communication

Another point of interest for the CAA were the extensive efforts undertaken by the ECA in the area of clear communication. Frederick Nuboer agreed with Alex Brenninkmeijer in particular on the importance of clear communication and the ability to communicate and write, clearly and in understandable language. A topic the delegation would also discuss in the Netherlands. Frederick Nuboer: ‘It is very useful for us to talk about these issues and to see it applied in a bigger context. Especially as a small player in this game we need to pay attention to this and be careful not to move in the opposite direction. Clear communication is directly linked to the people’s trust in you as an organisation, but also in the errors you find and present and in your recommendations.’

All participants agreed that trust remains something that requires the continuous attention of all types of public bodies, and that of Supreme Audit Institutions in particular. Rick Samuels added that this was especially true for countries in the region of South-America, where in many countries trust between the governmental institutions and people is lost. Frederick Nuboer concluded that it is essential to remain in contact with citizens: ‘After all they are the ones we work for.’
Reaching out

Blockchain technology is here to stay - ECA presenting its ‘proof-of-concept’ project at the 1st European Blockchain Summit

By Spyros Pilos, Directorate Information, workplace and innovation

On 11 April 2018 the first European blockchain summit took place in Slovenia. Representatives of blockchain businesses from all over the world as well as from the European Commission, the European Investment Bank, and the European Court of Auditors met to discuss the European blockchain initiatives, the blockchain and initial coin offering regulation and the funding opportunities for European blockchain companies. Spyros Pilos, the principal manager responsible for the ECALab looking into new technologies that can transform audit, shares what happened at the summit.

Focussing on blockchain entrepreneurship

The first European blockchain summit was organised by the government of Slovenia, and two key industry players, ConsenSys and Blockchain Alliance Europe, at Brdo, Slovenia. The Slovenian Prime Minister, Miro Cerar opened the conference and stressed the importance of a systematic creation of a positive support and (self-) regulatory environment for the development of blockchain entrepreneurship. He added that it is necessary to acquire and train top-level staff in the field of blockchain technology, and noted that representatives of local SMEs are well aware of this and eagerly welcome the regulation and the adjustment of the legislative framework.

Joseph Lubin, co-founder of Ethereum and CEO of ConsenSys gave the keynote speech and said ‘with the explosion of blockchain solutions, there is also the emergence of decentralized applications which will, with the transition to the new industrial revolution, turn our views on the nature of digital identities, business operations and data exchange upside-down’. He referred to the emerging Web 3.0 (the internet of decentralised transactions based on technologies such as blockchain) that will come to replace the current Web 2.0 (the mobile and social Internet). It will be followed by Web 4.0 (the internet of sensors and machines). Other speakers and participants highlighted the promising applications of blockchain technology in sectors like medicine, finance, music and biometrics as well as in the public sector.
Blockchain and public audit

I was invited to speak about the potential impact of blockchain on public audit. In my presentation, I focussed on the development work at the ECA and, in particular, the project ‘Blockchain Registry – proof-of-concept’. This project is ran in close cooperation with the internal ECA blockchain group led by Mirko Iaconisi. It aims to test the potential use of such a technology for different use cases, which are either specific to the ECA or relevant for auditing EU funds. The registry should allow for keeping a globally auditable and immutable trace of documents (or any other type of content) as well as of process steps, making it possible to trust the different characteristics that are relevant for audit, such as authenticity, time, metadata, status, etc. It uses an innovative blockchain-based technological solution developed by the Luxembourg-based company Compellio. If successful, the results of this project could be a building block contributing to a fully digital and largely automated evidence collection and verification process.

European blockchain partnership

The Summit took place one day after 22 European Member States signed the ‘Declaration on the establishment of a European Blockchain Partnership’ in the framework of the Digital Day 2018, a one-day event organised by the European Commission under the Bulgarian Presidency of the Council of the European Union. The Partnership will be a vehicle for cooperation amongst Member States to exchange experience and expertise in technical and regulatory fields and prepare for the launch of EU-wide blockchain applications across the Digital Single Market for the benefit of the public and private sectors. This should ensure that Europe continues to play a leading role in the development and rollout of blockchain technologies. Mariya Gabriel, Commissioner for Digital Economy and Society, said: ‘In the future, all public services will use blockchain technology.’ She stressed that Blockchain is a great opportunity for the EU and its Member States to rethink their information systems, to promote user trust and the protection of personal data, to help create new business opportunities and to establish new areas of leadership, benefiting citizens, public services and companies.

To sum it up: blockchain technology is here to stay. We, at the ECA, follow these technological developments closely, since, inevitably, they will also have an impact on how public audit is conducted.
EU Auditors publish Background Paper on insurance market watchdog

The European Court of Auditors has today published a Background Paper on the European Insurance and Occupational Pensions Authority (EIOPA) and its contribution to supervision and financial stability in the EU insurance sector. Background Papers follow the announcements of audits and provide information on ongoing audit tasks. They are a source of information for those interested in the policy and/or programmes being audited.

Today’s Paper contains an overview of the insurance market in Europe and the regulatory framework which governs it. There are also sections on EIOPA’s organisation and operational environment, the resources allocated to it, and the scope of its activities.

Click here for our report

EU financial assistance for Turkey had only limited effect

EU financial assistance for Turkey, which aims to help align the country with EU laws, has had only a limited effect, according to a new report from the European Court of Auditors. Although the assistance was well designed, funding did not sufficiently address some fundamental needs in the rule of law and governance sectors, where critical reforms are overdue, say the auditors. In areas where there was more political will, such as customs, employment and taxation, projects did help bring Turkey into line with EU law. But the results may not be sustainable because of difficulties in spending the funds and backsliding on reforms.

EU financial assistance planned for Turkey from 2007 until 2020 through the Instrument for Pre-accession Assistance amounts to over €9 billion. The auditors focused on the priority sectors of rule of law, governance and human resources (education, employment and social policies), to which €3.8 billion had been allocated.

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Publications in March 2018

**Briefing paper**

**Base future farm spending on ambitious and relevant performance targets**

The EU Common Agricultural Policy (CAP) is up for review, as the current seven-year planning period for EU finances and policy implementation ends in 2020. In November 2017 the Commission published a Communication on the future of food and farming, which presents its thinking on the post-2020 CAP.

This briefing paper is our response to the Commission's Communication. In this document we analyse key trends and data relevant to agriculture and rural areas, present our views on the current CAP, and discuss criteria and key challenges for the new CAP.

[Click here for our report](#)

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**Special report N° 09/2018**

**EU Public Private Partnerships suffer from widespread shortcomings and limited benefits**

Public Private Partnerships (PPPs) harness both the public and the private sector to provide goods and services conventionally supplied by the public sector, while easing the tight budget constraints on public spending. We found that despite PPPs have the potential to achieve faster policy implementation and ensure good maintenance standards, the audited projects were not always effectively managed and did not provide adequate value for money. Potential benefits of PPPs were often not achieved, as they suffered delays, cost increases and were under-used, and resulted in 1.5 billion euro ineffective spending, out of which 0.4 billion euro EU funds. This was also due to the lack of adequate analyses, strategic approaches towards the use of PPPs and institutional and legal frameworks. With only few Member States having consolidated experience and expertise in implementing successful PPP projects, there is a high risk that PPPs will not contribute to the expected extent to the aim to implement greater part of EU funds through blended projects including PPPs.

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**Special report N° 10/2018**

**Basic Payment Scheme for farmers has inherent limitations**

With an annual expenditure of around 18 billion euros, the Basic Payment Scheme, which was introduced in 2015, is the EU's biggest income support scheme for farmers. We found that the scheme was operationally on track, but that its impact on simplification, targeting and the convergence of aid levels was limited.

We make a number of recommendations to the Commission concerning the correction of farmers' payment entitlements, key controls by paying agencies, the systems for disseminating information among Member States, and the role of national certification bodies.

For the next programming period after 2020, we recommend that the Commission analyse the factors impacting income for all groups of farmers, their income support needs and the value of the public goods that farmers provide. Proposed income support measures for farmers should be linked, from the outset, to appropriate operational objectives and baselines against which their performance could be compared.

[Click here for our report](#)
Simplify research funding further

There is still a need to simplify EU funding for research after 2020, according to a new Briefing Paper from the European Court of Auditors. The paper was prepared for the European Parliament and the Council as input to their discussions on the successor to Horizon 2020, the EU research and innovation programme.

The auditors focus on simplification. They have previously pointed out that an over-complex legal framework could hinder the efficient implementation of research programmes. For Horizon 2020, they distinguish two ways of removing unnecessary complexity: rewriting the basic legal rules and/or creating a simpler interface adapted to researchers’ real-life circumstances.

Background paper: Facility for Refugees in Turkey

The European Court of Auditors is currently examining whether the “Facility for Refugees in Turkey” is providing effective support to refugees hosted in Turkey. In 2015, the European Council called for significant additional funding to support refugees in Turkey.

The Facility was established on 1 January 2016 and has a budget of three billion euro, made up of one billion euro from the EU budget and two billion euro from national contributions from the Member States. It supports both humanitarian and non-humanitarian activities. The Facility is a coordination mechanism that aims at a swift, effective and coordinated mobilisation of the EU assistance to refugees in Turkey and is one of the EU’s major tools for addressing the refugee crisis.
06 Professional development: driven by curiosity for knowledge
13 Training at the ECA: from vision to reality
51 Connecting EU institutions to lifelong learning
59 Lifelong learning – right on time, tailor made and just for you
74 Learning & Development at the European Commission: becoming a ‘70-20-10’ organisation

COVER:
Pictures reflecting training for physical excellence and of an ECA e-learning course on performance audit