

Special theme

GALF
Summit

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27
2018

5th Global Audit Leadership Forum



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... GALF is a sort of 'G20' for the public audit world ...



5



24

► INTERVIEW

Klaus-Heiner Lehne

2018 GALF - a forum for a frank and open exchange between world leaders in public audit

GALF - Informal exchanges between peers taken to high levels Feedback from participants in the 5th Global Audit Leadership Forum

Interviews and contributions from 2018 GALF participants (from p. 24 to 48)

- 04 EDITORIAL
- 05 2018 GALF - a forum for a frank and open exchange between world leaders in public audit
Interview with Klaus-Heiner Lehne,
By Gaston Moonen
- 08 2018 Global Audit Leadership Forum: a cocktail of many different beverages
By Roberto Gabella Carena and Daniel Tibor,
- 11 Key note speakers spur 2018 GALF participants towards innovation and digitalisation
Interviews with Ann Mettler and Jörg Müller-Lietzkow
by Derek Meijers
- 20 The challenge of moderating a high-level meeting
Interview with Michel Huissoud and Brigitte Christ
By Philipp Dette and Derek Meijers
- 24 GALF - Informal exchanges between peers taken to high levels
Interviews and contributions from 2018 GALF participants
- 25 The GALF – an opportunity to create shared values for the SAI community
By Mari Kobayashi
- 30 Looking back at GALF 2018: a surprisingly good forum for networking and decision-making
By Per-Kristian Foss and Øivind Berg Larsen
- 32 Photo gallery of the participants of 2018 GALF
- 37 2018 GALF experience that resonates well
Interview with Nancy Cheng
- 40 Wanted: Inspiration from conversation
By Arno Visser
- 42 Senior level exchanges at GALF – particularly valued in a complex and uncertain world
Interview with Mike Scott
- 45 Fresh perspectives and insights presented at the 2018 GALF meeting organized by the ECA
By Walton Alencar Rodrigues
- 47 2019 GALF meeting to be held in China: reflections of the host for next year’s meeting on the 2018 GALF
By Qin Boyong
- 49 The 2018 GALF meeting: making it happen
By Roberto Gabella Carena
- 52 Looking into the history of the GALF
By Judith Stein
- 54 Providing input for the GALF 2018 discussions: the ECA and the ‘country papers’
By Wilfred Aquilina and Andreas Bolkart, and by Fabrice Mercade and Damijan Fišer



08

2018 Global Audit Leadership Forum: a cocktail of many different beverages



20

► INTERVIEW

Michel Huissoud and Brigitte Christ

The challenge of moderating a high-level meeting



11



15

► INTERVIEWS

Ann Mettler and Jörg Müller-Lietzkow

Key note speakers spur 2018 GALF participants towards innovation and digitalisation

60 A new homecoming to pursue common sense in EU policies

Interview with Tony Murphy

By Derek Meijers and Gaston Moonen

73 ECA contributes to debate in European Parliament's hearing on EU migration funding in the Union

By Stéphanie Girard and Loris Corzilius

65 REACHING OUT

Presentation of new ECA products in Lithuania

By Aušra Maziukaitė

► FOCUS

67 ECA Publications in April 2018

67 ECA at European Parliament Hearing on EU budget and Paris Climate Agreement

By Zeinab Drabu

69 Europe Day – ECA reaching out to citizens

By Damijan Fišer

71 Accountability, transparency and integrity in the public sector as key elements of the EU's enlargement process

By Mihail Stefanov

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Editorial

Inspired by peers: GALF as nurture ground for innovation and change



From my first years of working in public audit, I recall a statement of the then Dutch minister of finance, saying: 'There is nothing between God and the national audit office.' What he meant was that a national audit office can basically do what it wants, since in view of its independence there is no other institution to correct it. The abbreviation often used internationally for a national audit office, *SAI* - standing for supreme audit institution - can also give that connotation. *Supreme* in the sense that there is nothing standing above the audit institution to give it guidance and instruction on how to deal with specific problems, how to take up opportunities, and how to react in a changing world. *Supreme* even charges a SAI with the responsibility, or at least the expectation: to give such guidance to others in the audit chain.

But how should SAIs react to new developments? How should they provide such guidance and where can they find the inspiration for new ways of doing things? The Global Audit Leadership Forum (GALF) exists precisely to allow participants to exchange and find inspiration from one other. It brings together leaders in public audit from several continents to consider ideas, common problems and possible solutions in an informal setting. Because, as the Auditor General of Norway and GALF participant remarked, in essence, being the head of a SAI can be a lonely job. The *supreme* part of the acronym means by definition that your organisation is the only one of its kind in your country. Many heads of SAIs therefore found it very constructive and inspiring to meet their peers from other countries face-to-face and discuss what they are doing and what they struggle with. To enable such a dialogue, an informal approach and an environment where you can speak frankly and freely, with your guard down, is essential. Only then can you optimize the learning process for yourself and for others. Nor are SAIs unique in exchanging experiences and sharing new approaches through such an informal format. Once every few years, the judges of the European Court of Justice and their counterparts at the US Supreme Court of Justice meet to discuss experiences on each side of the pond and new developments in law.

We have made the 2018 GALF meeting the special theme of this ECA Journal. This year's GALF event was hosted by the ECA - a great honour for the ECA, and all the more so because several people have labelled GALF as 'the G20 in public audit.' But the main reason to make GALF the special theme is to put in practice what we learned when preparing the previous ECA Journal edition on learning and development: sharing experiences, learning from best practices and opening up to new developments - be it on innovation or digital communication as the keynote speakers at this GALF reflected upon - are key drivers for individual and institutional development.

In this edition, we try to provide insights on what was discussed, how it was done and how it was perceived by the participants, while respecting the Chatham House Rule under which the discussions were held. In doing so, we hope to capture this GALF for our collective memory. As the keynote speaker on digital communication said, the internet does not forget! Even more importantly, by covering the 2018 GALF we aim to contribute to transparency about what SAIs do when they get together. Because being *supreme* in public audit also means leading by example on several accounts, including openness on what we do. If you as a SAI do not do this, who else will? After all, what is there between a SAI and...God?

Gaston Moonen

2018 GALF - a forum for a frank and open exchange between world leaders in public audit



Interview with Klaus-Heiner Lehne, ECA President

By Gaston Moonen,
Directorate of the Presidency

The ECA receives annually many visitors and hosts numerous meetings and conferences. But the 2018 GALF meeting was clearly one out of the ordinary, with leaders in public audit from supreme audit institutions (SAIs) from almost all continents participating. ECA President Klaus-Heiner Lehne chaired the two day meeting and looks back at concept, contents and characteristics of the 2018 GALF and this forum for a high-level exchange between heads of public audit bodies in general.

GALF as G20 in audit

From his enthusiasm, one can easily tell that ECA President Klaus-Heiner Lehne looks back at a pleasant and fruitful 2018 GALF meeting at the ECA. He explains that the GALF is a sort of 'G20' for the public audit world, adding that such a label might not be totally correct. Not the least because there are more than 20 members and the countries represented are not identical to those of the real G20. Moreover, the concept and format are not the same. 'It is a possibility for world leaders in public auditing to meet and discuss topical issues of common interest. And like the 'G20' GALF is a truly global forum with heads and representatives of SAIs from all parts of the world, from Australia to China to the US. And of course from several European countries.'

The ECA President considers GALF to be a great opportunity to exchange ideas on important topics with other heads of SAIs from all over the world. 'Although we are of course a European institution, we find that many issues are of relevance for SAIs globally and I find particularly useful to also discuss those issues in a global context. It helps to go beyond the European perspective and look at it from a different angle.' He underlines that auditors do not work in a vacuum: 'The audit community must share ideas and concerns to remain future-proof and continue adding value through its work on behalf of citizens.'



... like the 'G20' GALF is a truly global forum with heads and representatives of SAIs from all parts of the world ...

Interview with Klaus-Heiner Lehne, ECA President *continued*

Another issue that he finds very important is the rather informal setting and the limited number of participants. 'This allows for open discussion where new ideas can be developed. After all, and that is the essence of the GALF to me, it is an idea factory; a forum where new ideas are created for how to solve important issues we are facing today or tomorrow in the world of public auditing.'

This year GALF had exactly 20 participants, and in addition one SAI participating as a guest – the Accounts Chamber of the Russian Federation. As to the GALF membership, Klaus-Heiner Lehne specifies that the number of participating countries is limited and that a new membership requires the consent of all members. 'There is a maximum number of participating countries. This is necessary to preserve the informal and rather intimate format of the forum. Also in this respect the GALF is different from INCOSAI, the global congress of supreme audit institutions organised once every (SAIs) three years by INTOSAI. GALF was set up to offer a forum where certain issues could be discussed at a high level, but in an informal setting. INCOSAI serves a different purpose and can therefore not offer this possibility. This also means that the SAIs are in principle represented at the highest level.'

Becoming host of a GALF meeting

As to why the ECA became the hosting SAI for the 2018 GALF the ECA President explains that any participating SAI can bring forward its candidature to host the next GALF. 'And this is what we did during the 2017 GALF hosted by the Danish audit office, Rigsrevisionen. The decision that the ECA would host this year's GALF was then taken by the members. My experience is that SAIs that want to host the next GALF talk about this informally before the question is put to a vote and agree on who should host the next meeting or the one thereafter. This nicely reflects the consensual character of the forum.'

The 2017 GALF in Denmark was actually the first GALF for Klaus-Heiner Lehne, which he recalls was very well organised and a nice example of how it can be done. 'They set the bar quite high. There the discussions focused on strategy work in SAIs and the evaluation of the audit work – two very interesting topics. Our aim for 2018 was to meet the standard they set but also not to exceed it in terms of funding and other resources.' He points out that the ECA, like the Danes, did not want to make the organisation of the forum overly expensive. 'In the end, we are talking about taxpayers' money.'

As to the outcome of a GALF meeting the ECA President refers to what he said before: 'For me, GALF should serve as an idea factory. The participants should take these ideas back home and then implement them in their SAI in the way and to the extent they deem necessary and useful. The idea of the forum is not to have any binding or even non-binding resolution at the end. This would destroy its very nature.'

Sharing different perspectives and practices

Talking about contents discussed at the 5th GALF, the ECA President is clearly happy with the two themes selected for the 2018 GALF. 'We proposed the two main themes, after sounding out with other GALF members before how they would perceive these topics. After all, the themes must be relevant and interesting for all members.' He explains that the two topics the ECA selected – *Carrying out performance audits in a political context: what are the limitations?* on the first day, and *Communicating audit findings in a digital world: challenges and opportunities* on the second day – were very well received by the participants. 'This was for example also shown by the open discussions we had on them, with very diverse perceptions ventilated on the first theme and diverse practices on the second theme. On the latter we concluded that,



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The idea of the forum is not to have any binding or even non-binding resolution at the end. This would destroy its very nature.

Interview with Klaus-Heiner Lehne, ECA President *continued*

despite certain risks and loopholes regarding digital and social media, as SAIs we will have to use these means also to reach out to stakeholders and broader public.'

Speaking about reaching the broader public: while the ECA as the host organisation has provided information regarding the 2018 GALF meeting on its website before, during and after the meeting, Klaus-Heiner Lehne puts this into perspective: 'Public uptake is not the main objective of the forum. If participants think too much about public attention they might stop thinking and talking freely. What might in the end get to the public's attention is what changes in the respective SAI's work subsequent to the GALF meeting.'

Aiming for and informal and thought-provoking discussions

As to what made the 2018 GALF stand out from the other GALF the ECA President presents a rather balanced picture: 'Every host is completely free in how to organize the event.' The particularly emphasised the innovative character of this year's meeting in Luxembourg. 'The format we were used was very different from the one last year. I think we were very lucky with our moderators who did an excellent job keeping the discussions vivid and focused. I am very grateful to our colleagues from the Swiss Federal Audit Office, Michel Huissoud and Brigitte Christ. And the key note speakers, Ann Mettler of the European Commission and Jörg Müller-Lietzkow, professor in Media Studies of the University of Paderborn, were extremely good in kicking off the discussions and giving them the right direction.' But he also underlines that in the end, one does not need to completely re-invent a GALF meeting each time. 'We also tried to learn from good practices of previous hosts. For example, we built on the work done by our Danish colleagues as regards the country papers submitted by the participating SAIs in advance.'

The ECA President emphasises that the ECA wants to preserve the informal character, by keeping the number of participants reasonably low and the level of representatives high. 'This event must remain as informal as possible to preserve its unique character. As host, I think it is important not to overload the event with presentations and formal elements. The discussions should be frank and open. And they must be moderated in a way that pays respect to the different cultural, political and regulatory backgrounds of the participants, so to ensure that each and every participant feels included and valued.'

Looking out for new exchanges at the 2019 and 2020 GALF meetings

For Klaus-Heiner Lehne this year's GALF meeting was also a personally enriching experience, not the least thanks to the many interesting ideas brought forward by his colleagues from around the world: 'To see the topics we discussed from a different angle and against other background was particularly useful. In the end, our approaches will always be European, but tested and refined in discussion with people from other places of the world.'

The 6th GALF meeting will be hosted by China next year, followed by India in 2020. Klaus-Heiner Lehne is convinced that both the Chinese and the Indian SAIs will provide an excellently prepared event with again very interesting and fruitful deliberations. 'One important feature of the GALF is that every host is completely free in organising the event both in terms of content and structure. It might be very different from what we did. I do think, however, that at this year's GALF meeting here at the ECA, choosing the maximum number of participants in a GALF meeting and level of representation, we have taken the necessary arrangements to secure the meeting's unique character for the future.'



Every host is completely free in how to organize the event

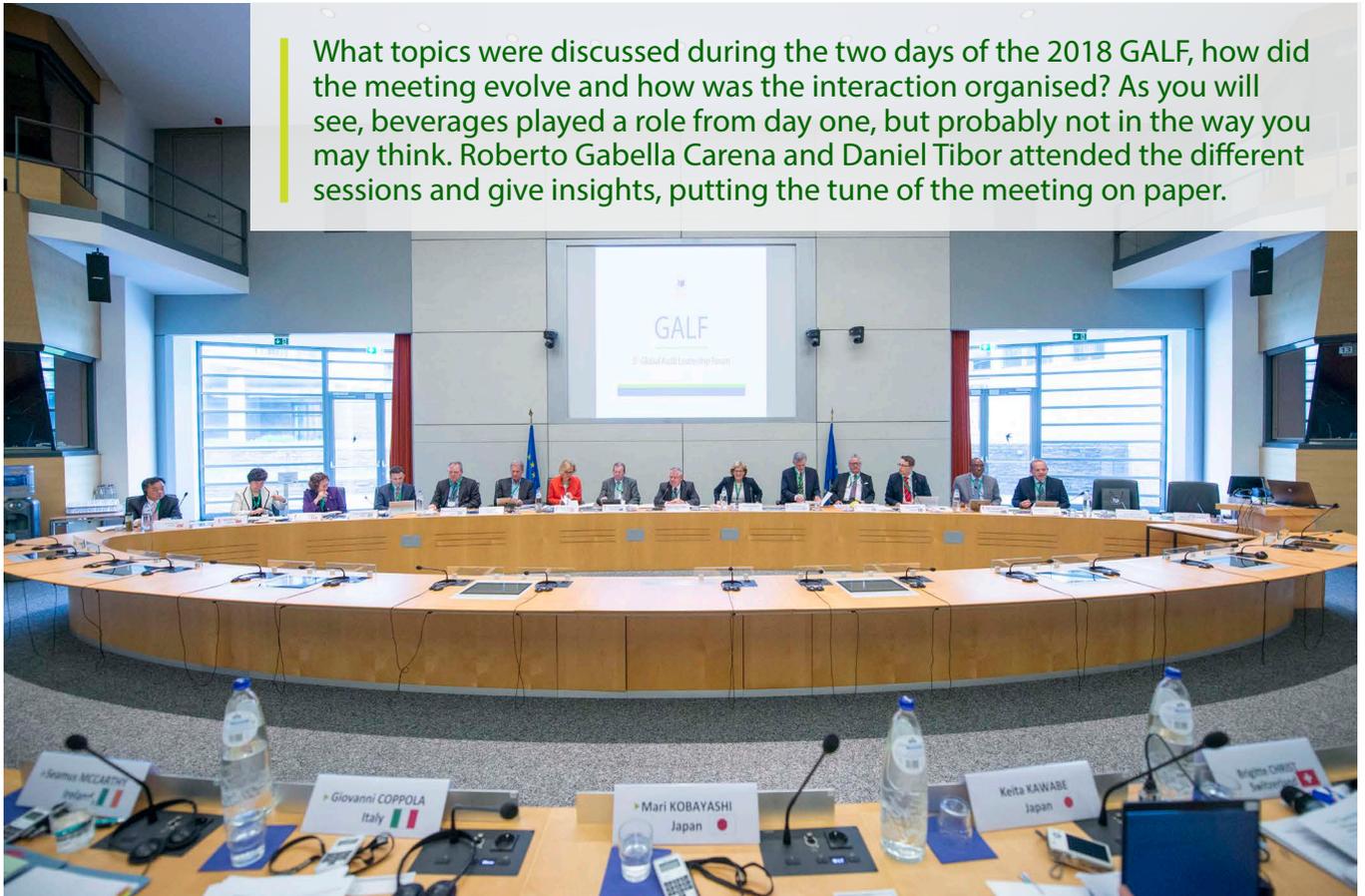


... I think it is important not to overload the event with presentations and formal elements. The discussions should be frank and open.

2018 Global Audit Leadership Forum: a cocktail of many different beverages

By Roberto Gabella Carena and Daniel Tibor, Directorate of the Presidency

What topics were discussed during the two days of the 2018 GALF, how did the meeting evolve and how was the interaction organised? As you will see, beverages played a role from day one, but probably not in the way you may think. Roberto Gabella Carena and Daniel Tibor attended the different sessions and give insights, putting the tune of the meeting on paper.



ECA conference room

Day one - Carrying out performance audits in a political context

Try to put together more than twenty leaders of supreme audit institutions (SAIs) from all continents and ask them to perform together: not a straightforward thing... To break the ice, the fifth edition of GALF, started with an exchange on participants' preferred beverages. A glass of cold milk with cacao competed with good old gin and tonic, red and white wines (of different origins), litres of coffee or just plain ordinary water. Some participants even dared to have multiple preferences depending on the time of the day.

As diverse and interesting as the participants' drink tastes and preferences were the ensuing discussions on the first day's topic: 'Carrying out performance audits in a political context: what are the limitations?' The discussion started off with a thought-provoking keynote speech given by Ann Mettler, Head of the European political Strategy Centre at the European Commission. She outlined current trends and future challenges in the political arena, having by definition an impact on SAIs. Michel Huissoud and Brigitte Christ, the moderators of this year's GALF - and in their normal life President and Vice-President of the SAI of Switzerland - picked up the ball and asked the SAI leaders for their response to the challenges of a *VUCA* (Volatility, Uncertainty, Complexity and Ambiguity) world as well as ensuing limitations for SAIs.

2018 Global Audit Leadership Forum: a cocktail of many different beverages *continued*

It did not come as a surprise that the answers were manifold, given the diversity of the participating audit institutions and their respective mandates, environments and political cultures. A rich cocktail, to remain in the beverage terminology. While some participants argued that SAIs should not enter the political arena and/or interfere with politics, others would see themselves failing in the accomplishment of their mission if they did not. While the first group pinpointed the segregation of powers and the corresponding limitations of their mandate, the other one highlighted that the selection of certain audit topics could (or should) already be interpreted as a kind of a political decision. However, it was generally agreed that there is always a risk of political exploitation of the results of an audit by one or the other group in society. This risk needs to be mitigated, be it through transparent, fact-based and objective reporting, prudent timing of publications (e.g. in times of elections) or the recognition of socio-economic circumstances and sensitivities.

Then there were the role plays. Again and again, throughout the two days' meeting, Michel Huissoud and Brigitte Christ slipped into the roles of well-exaggerated archetypes of SAI leaders confronted with diverse situations implying possible internal and/or external limitations. Such limitations may come from stubborn and old-fashioned senior management sticking to outdated recruitment and audit policies, which will inevitably lead to risk- and innovation-averse behaviour on both the auditor's and the auditee's side. Or they may be linked to threats of budget cuts because of obnoxious audit topics and reports. And how do you respond, if at all, to selective or even polemic media coverage? The ensuing debates showed that these risks are not only theoretical and that the SAI leaders are well aware of the corresponding risks for their institutions' public image. Participants also exchanged views on what measures are most likely to be effective in mitigating these risks.

Day two - Communicating audit findings in a digital world

Getting started on the second day can always be difficult, even after a strong coffee for breakfast. Our dynamic moderators had foreseen two measures to combat the morning fatigue among the participants: first, a compulsory five-minute gym session to warm-up muscles and brains, and second, a bar of energy-boosting chocolate.

Not enough? We had an ace up in our sleeve: Professor Jörg Müller-Lietzkow of the Department of Media Studies of the University of Paderborn, as the keynote speaker for the second day. He most entertainingly retraced the history of communication in the last thirty years and highlighted the challenges that SAIs have to face when engaging in digital communication. Being present on social media is a 'must' when looking at the figures of today's digital society (such as internet penetration, number of social media users, percentage of mobile access to the web, etc.).

Jörg Müller-Lietzkow warned about the risks linked to the possible loss of control of one's own communication in a global digital world that never forgets (the eternal e-memory) and reminded the audience of some basic rules: social/digital media communication is short, direct, visual, non-permanent and (always) responsive. He concluded his inspiring speech by proposing a layer model of SAI stakeholders, which aroused great interest among the participants.

Once again, it appeared that, among the participating SAIs, the engagement in digital communication was manifold, but the interest in developing the SAIs'

2018 Global Audit Leadership Forum: a cocktail of many different beverages *continued*

presence and finding ways to mitigate the risks was common. Or, to put it in terms of beverages, there was more consensus towards one favourite drink.

The discussion voiced many doubts such as 'Yes, we need to go social, but... no, we cannot ensure a permanent presence on social media. Yes, we use Twitter but we fear we might lose accuracy in our message ... We have very high-level quality checks for our reports but we cannot do the same for instant communication ...' At the same time, one certainty surfaced: 'Today, if we want to reach the same target as twenty years ago, we have to use digital and social media. There is no choice.'

In the end, some participants observed that the topic was clearly provocative enough to trigger an intense discussion on a complex and sensitive subject. There was consensus towards tackling and solving the conflict between necessary accuracy and intrinsic complexity of communicating audit results on the one hand, and the rules of digital and social media on the other.

One of the issues mentioned by Jörg Müller-Lietzkow, as keynote speaker, was the enormous potential of big data. The SAI of China, host of the 2019 GALF meeting, picked up the gauntlet and announced that big data would be one of the themes for next year's GALF in Beijing.

Key note speakers spur 2018 GALF participants towards innovation and digitalisation

GALF 2018 was characterized by stimulating discussions on performance audits in a political context and communicating in a digital world. The topics were introduced by Ann Mettler, Head of the European Political Strategy Centre, and Jörg Müller-Lietzkow, Professor for media economics and media management, respectively. How did these two thought-provoking keynote speakers manage to induce a lively exchange between audit practitioners from all over the world? And what did they take back from GALF 2018? Gaston Moonen and Derek Meijers put these questions - and more – to the two key note speakers.

Bringing foresight into play for public auditors

By Gaston Moonen, Directorate of the Presidency



Ann Mettler

Interview with Ann Mettler, Head of the European Political Strategy Centre

Think tanks and audit institutions

The discussions on the first day of the GALF meeting focussed on the topic: Carrying out performance audits in a political context: what are the limitations? To set the scene the ECA had invited Ann Mettler, Director-General and Head of the European Political Strategy Centre (EPSC), the European Commission's internal think tank, as keynote speaker. Throughout her presentation, she highlighted the importance of zooming out, looking at the inter-disciplinary character of issues, and trying to see global trends and extrapolate from this information on what the future might hold. Besides presenting a lot of 'forward looking' information she also suggested some 'do's and don'ts' regarding innovation and flexibility to adapt to, if not create the future.

When asked about her initial reaction to the invitation to speak at GALF, Ann Mettler confesses with a smile: 'Initially I was surprised, even confused a bit since I did not know what to make out of it. I wondered why the ECA was inviting me. And I felt a certain reluctance to accept because to me auditing is not my area of key competence, which is more related to digital technologies and innovation. And talking about auditors there is also a bit of anxiety. After all, who wants to be audited...' She adds that speaking at the GALF also posed a new challenge to her, opening up the space of the auditing community. 'So I decided that I should do it since it would be interesting for me and likewise a new perspective for the audience of leaders in public audit.'



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Interview with Ann Mettler, Head of the European Political Strategy Centre

continued

Ann Mettler indicates that she is not aware of many contacts between audit institutions and think tanks. 'I cannot speak for the entire think tank community, but so far I have not come across audit bodies very often. But I was pleased to hear about the ECA having created a 'future proof' task force on foresight activities and I think it will be interesting to work with them on issues particularly relevant for public auditors.'

She explains that her think tank has many contacts with Eurostat, the EU's statistical office. 'For us it is very important to have the latest data and that they have a high degree of integrity. And with Eurostat we did a series of round table meetings and a conference to see how we can make better use of each other's work. What are our needs as users of Eurostat's work, interesting for them to become more aware of emerging policy issues. Likewise I appreciate that the ECA has reached out to us, because I see there is a lot of overlap.' On this she concludes there is certainly scope for that making use of each other's work, think tanks looking ahead and audit institutions providing evidence-based reports on policy effects.

Ann Mettler underlines that think tanks are not policy making bodies 'We are much more about opening up certain conversation and breaking up the silos, creating an interdisciplinary space to have open and frank discussions.' She gives an example related to the EU's future aviation strategy: 'It is not only a transport issue but much more: around smart cities, social issues, etc. So we hosted a round table with four EU Commissioners where they could exchange views on this issue.'

How to deliver foresight that makes a difference

When speaking about foresight, Ann Mettler highlights a few elements she finds crucial. She indicated that in foresight you often stumble across issues, which are politically inconvenient. 'It is very important to have an ability to break away from the conventional wisdom of our times. To have the stamina to go into areas where we are policy-wise not yet prepared to go into. So you need a type of person that is not afraid to challenge the intellectual status quo, the consensus that sometimes exist around some topics.' So finding people who have such an ability, with an open mind, is important for her.

Related to this she brings up another issue: 'A real cutting-edge issue is, for example, artificial intelligence (AI). Do you actually have the people in your team who are knowledgeable about AI? I have come to believe we need to embed more technologists in policy teams. We are often discussing these kind of emerging issues without having top technologists around the table.' She points out that these people are very much sought after and gives an example how the Obama administration in the US tackled this when they faced the same problem. 'They had a Digital Service brought into the White House and appealed to people with technology backgrounds to serve the government and the US people for at least a few years, serving a higher, more meaningful cause.' In her view this issue of technology is here to stay: 'There is scope for improvement both on the policy making side and on the auditing side.'

Based on the discussions held at the 2018 GALF she raises another element: 'One of the participants spoke very eloquently about this, signalling that in government everything is organised around silos. I think issues will have to be looked at through a multitude of lenses.' Ann Mettler pleads for multidisciplinary teams and even beyond: 'When speaking about unemployment it may be interesting to bring in an unemployed person, who will have a completely different perspective from traditional experts. Important in foresight is seeing the world through others' eyes.' She strongly believes that what is going on makes a lot more sense if you look at it like that: 'What does migration look like from the point of view of an African scholar? Or what does economic development and disruptive innovation look like if you are a Chinese? I think, especially for the liberal democracies in the West in which we live in, this can be



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Interview with Ann Mettler, Head of the European Political Strategy Centre *continued*

challenging because for so long we felt our system was fine and would serve as an example. I think that this is being challenged right now in very fundamental ways.'

Creating pockets of innovation

Despite recent challenges, Ann Mettler is a strong believer in the resilience of liberal democracies: 'Everyone who ever enjoyed freedom wants to continue enjoying this freedom, so we need to work in this framework that democracies provide. And I do not think that democracies by definition confine us to be slow.' She refers to the Canadian example she gave in her presentation: 'They showed it is possible for a government to create institutional 'pockets' where innovation and experimentation can take place. This does not mean we all need to experiment, but we certainly need to be a bit faster and agile on the policy side in certain areas of economic development and innovation. We need to adjust to this accelerated pace of innovation.' She believes there is still a huge scope to become more agile, more experimental. 'And audit institutions have a fundamental role to play here. Innovation does not take place if we do things the way we have always done them. It involves taking risks and that is where audit institutions also come into play.'



Innovation does not take place if we do things the way we have always done them. It involves taking risks and that is where audit institutions also come into play.

Taking no risks entails a big risk

Concerning risks, Ann Mettler has some explicit views, starting with an expression which compares somehow with what US President Franklin Roosevelt said – the only thing we have to fear is fear itself: 'The biggest risk of all is taking no risk! Suggesting that taking no risk is risk-free, is a fallacy.' She points out that, compared with a few decades ago, the dynamics of innovation have changed and that she pleads for an ethos in government that in order to do better one has to experiment a bit. 'Of course, if you run a government there is a massive risk in failure. But what I am talking about is, as one GALF participant put it, is intelligent risk taking.' She explains that there are instances where things clearly do not work, but are never discontinued. To the contrary, they are prolonged. 'This is the policy void, spending a lot of money on something that is not working and is not getting better. That is actually a formidable risk, particularly for public trust.' Instead, she advocates that risk taking should be a managed process, to take place in 'pockets within government'.



The biggest risk of all is taking no risk!

For Ann Mettler there are important signs that such an approach is taking place in Europe: 'You have the French president who says he wants to excel in disruptive innovation, presenting an artificial intelligence strategy. Chancellor Merkel just created a whole new office dedicated to innovation and digitalisation.' She feels that the issue is more and more getting attention at the highest political level. 'Because there is a profound realisation that we have not performed as well as we would like. And we cannot continue to do the things the way we have always done and expect a different outcome.' She also refers to the Lisbon Agenda: 'Thousands of projects and some with success, but collectively it did not deliver what we wanted. I think it is worthwhile to look back and understand what happened. Indeed, not only looking forward but also looking backwards. That is very important.'



we cannot continue to do the things the way we have always done and expect a different outcome.

EFSI as example of innovation

When Ann Mettler talks about innovation, she does not only mean technological innovation. 'The European Fund for Strategic Investments (EFSI) is a good example. Some six years after the start of the financial crisis, Commission President Juncker understood that the EU had a profound investment shortfall and that the traditional way of more public money was not really the way to go. He realised the EU needed a new kind of vehicle.' Clearly knowledgeable about EFSI she explains about the interplay between a public and private fund, as EFSI is set-up, thereby creating

Interview with Ann Mettler, Head of the European Political Strategy

Centre *continued*

probably greater scope to find successful projects and taking up also the more risky ones that hold great potential but would be unlikely to receive funding in more traditional schemes. 'EFSI has this very specific mandate to be more risk taking. Until now EFSI has been a success and that is why it is going into a second phase.' She adds that it brought a whole new way of thinking and operating in the European Investment Bank, which manages EFSI.

Ann Mettler mentioned that EFSI could also have the potential of teaming up with philanthropists to do social projects that are more risk taking. 'We now have a new generation of young people who have inherited or obtained a lot of money. They want to invest with a purpose. They are looking for different projects. I believe this opens up a certain space, new possibilities. EFSI has achieved much in a short period of time, maybe this means that we could also apply it elsewhere, with managed experimentation or intelligent risk taking.'

'If you look at innovation and government, EFSI is a very good one. It has delivered investments where there otherwise would have been none – or at least less. It also used digital technologies in a very smart way. And it bundles projects. If these projects would be treated as individual projects, they would not have obtained similar financing.' Ann Mettler realises that EFSI still needs to be evaluated further to fully see its results and dynamics. 'It is too early after three years to make any broad assessment. It is a young programme with a learning curve. My point is that it was a marked shift in the kinds of projects that we fund and politically it was an important signal that we understood that there was a palpable investment void.'



If you look at innovation and government, EFSI is a very good one.

All in to do good ... for the public good

One of the dilemmas for innovation, particularly in government that Ann Mettler identifies, is that results are not always visible or present yet when the next elections come up. 'This is not something only for funding of these kinds of programmes but with reforms in general. And more politicians realise that changes and reforms need to be started early on in their term in office. But the fact that something does not pay off in three or four years is no reason not to do it.'

Ann Mettler believes that anyone who wants to be in government or is in government does this with the best intentions and a genuine wish to contribute to public policy. 'Most often they really want to do good.' She points out that within that realm there is huge scope for different opinions, but that the good intentions will always be there. 'I see it also with my colleagues. Everyone means so well. Sometimes we need to help them zoom out a bit and understand how everything ties in together. So that they can do a better job.' Adding that is also helps her to understand what are the stumbling blocks, which otherwise would not always be easy to see.



Everyone means so well. Sometimes we need to help them zoom out a bit and understand how everything ties in together.

This is also where public audit institutions come into play. Ann Mettler: 'The GALF discussions I attended here in Luxembourg, about carrying out performance audits in a political context, touched upon fundamental questions. For me it is clear that politicians need the audit offices - and the reports they produce - to help them navigate in policy decision-making. And I see this question not from a party political perspective. I believe there is a lot of politics outside political parties. For me it is clear that with the mandate audit institutions have, combined with their independent position, they can – and should -- be politically very relevant as they gauge policy impact and delivery. And this is at the end of the day a critical component of the evidence-based and evidence-informed policy-making which underpins all democracies.'



The GALF discussions I attended here in Luxembourg [...] touched upon fundamental questions.

Take digital seriously!

By Derek Meijers, Directorate of the Presidency



Jörg Müller-Lietzkow

Jörg Müller-Lietzkow is Professor for media economics and media management at the University of Paderborn. In addition, he chairs the C-NETZ, one of the largest NGO dealing with internet and the digital age, which tries to influence the ways German politics are operating in the digital field

Interview with Jörg Müller-Lietzkow, Professor for media economics and media management

What about GALF?

Jörg Müller-Lietzkow explains that until recently he was familiar with audit and the work of supreme audit institutions (SAIs), but that he did not know anything about GALF. 'At university we are audited once a year by the German – Bundesrechnungshof – and I previously worked at a bank which had an internal audit service as well'. He explains it was surprising for him to see how interested the GALF participants were in future trends and how open the discussions were. 'They were able to talk about their strengths, but also about their own weaknesses, and this is very important if you want to improve. This really made GALF a good experience.' He adds: 'It is great to discuss peoples' weaknesses and to look for ways to get better together. This is how leaders should act. This was very motivating and inspiring!'

From the stone age...

In his presentation, Jörg Müller-Lietzkow took his audience back in time to the age before we had digital communication. Starting point: 1988. 'There was no such thing as the internet. We had Bildschirmtext, but we still got most of our information from media or TV and, from my perspective, that is a very interesting starting point.' He then points out that the first webpage ever was published only in 1990. 'So 1988 was just two years away from the internet revolution, and with that first webpage, everything changed from a one-directional communication model to a multi-dimensional communication model.'

Jörg Müller-Lietzkow set his next marker in 1998. 'It is important to realise just how much changed in those few years between the first webpage and 1998. Many of the major internet companies we know today had only just started or had not even been born yet. Amazon was founded in 1994, eBay in 1998, and today these companies are huge players. So within only 20 years the way we communicate, and our economy, have changed completely!'



... with that first webpage, everything changed from a one-directional communication model to a multi-dimensional communication model.

Interview with Jörg Müller-Lietzkow, Professor for media economics and media management *continued*

Jörg Müller-Lietzkow chose those two starting points to show that the birth of the first webpage was the end of forgetting. 'Anything you publish on the internet will stay published forever. And nowadays people are starting to push more and more information online, even historical information. This shows all of us a new perspective on what the internet has changed in our society, besides the economy.' He adds: 'The next question is what is meant by being digital today, and I think Simon Lindgreen's quote could be one answer to that.'



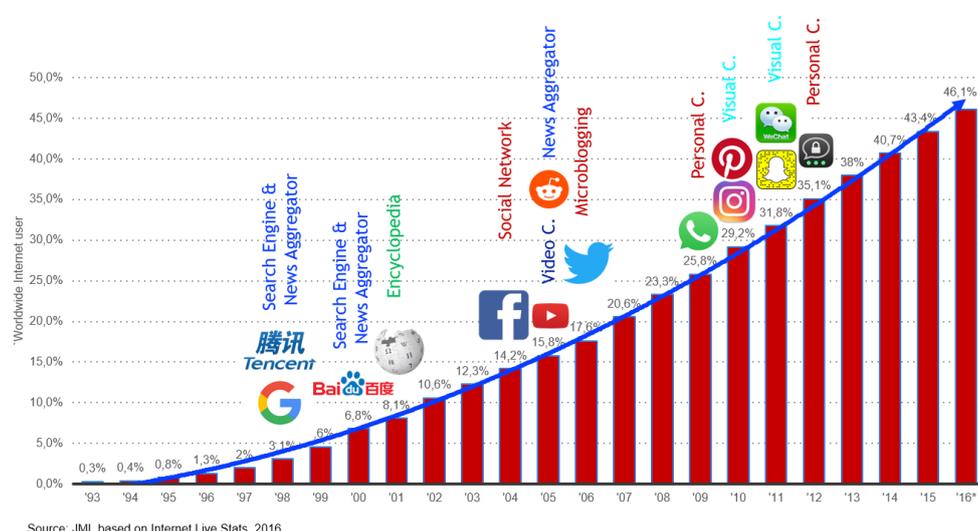
Anything you publish on the internet will stay published forever.

"When we speak of today's society as being digital, we don't very often mean to say that it just draws upon binary numerical operations. What we do tend to mean is that it has been transformed in a number of quite drastic ways, following the development of the early 'computing' machines into smart devices which have increasingly enabled large-scale networked connections, coordination, and communication in both automated and human-driven ways."

Lindgreen, Simon (Digital Media and Society 2017: 9)

... to a microblogging world...

The obvious question is whether organizations like the SAIs should follow all these rapid developments, or if they should be more conservative and focus on traditional ways of communication. For his answer, Jörg Müller-Lietzkow refers to the graph Internet users worldwide. 'Here you can see that about 50 % of the population are using the internet nearly every day, and you can see the vast amount of communication tools and companies they are using.' He continues: 'the interesting thing is that a large percentage of the population that is always online also act as communicators, the ones who are doing the communication.'



Roughly 80-85 % of the people that are using the internet are also using social media.

Jörg Müller-Lietzkow: 'Roughly 80-85 % of the people that are using the internet are also using social media.' He adds: 'So now, if you want to be in touch with people, you have to interact with them online and realise that the former way of doing so, for example by simply publishing something like a statement or any type of plain written document in PDF, is no longer good enough.'



If you want to be successful, you will have to re-edit the information from a new communication perspective.'

In their country papers for GALF 2018, several SAIs indicated they were present on social media to some extent, but that it is not really a strategic priority for them. Yet, according to Jörg Müller-Lietzkow, these institutions should reconsider their approach if they want to have more impact. 'And this does not mean simply publishing your information, like a report, on different platforms on the internet. It does not work like that. If you want to be successful, you will have to re-edit the information from a new communication perspective.'

Interview with Jörg Müller-Lietzkow, Professor for media economics and media management *continued*

Jörg Müller-Lietzkow acknowledges that this adds to the complexity of the communication process. 'You will need more time to formulate very precisely what you want to communicate, to whom and in which format.' He explains: 'When you use Twitter or any kind of microblogging you are dealing with very short types of communication, as the information and messages on social are very short. On top of that, you will need to gear your message to your intended audience on the platform you are using.' He gives an example: 'When you are using Facebook, people normally just want to have a short abstract, not a wall of text, and maybe they would like to see a visual and a link, but nothing else.' His advice is clear: 'If you have a message and you want to spread it, and have impact, you must first consider how to do that best. And forget thick reports, because nobody will read them.'

... it's all about density...

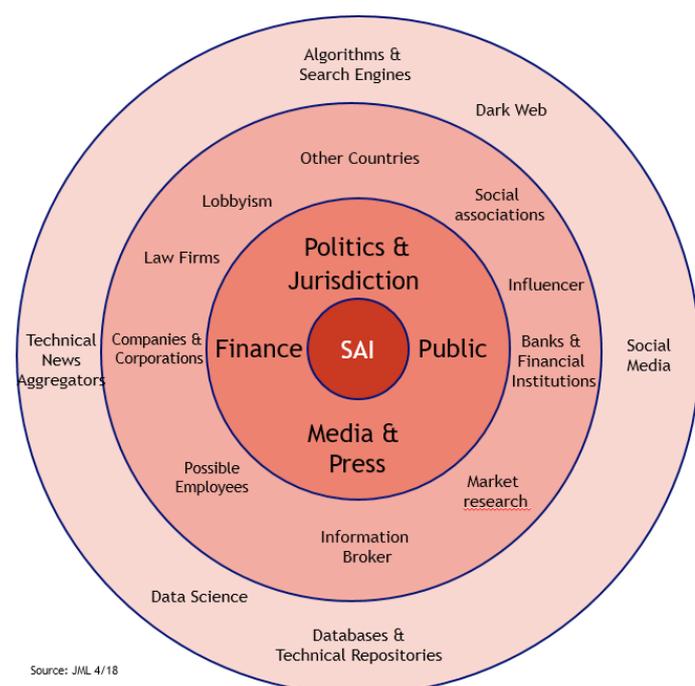
Traditionally, audit institutions present their work in dense and detailed reports. A type of communication Jörg Müller-Lietzkow thinks is just not suitable for the social media.

In a short survey during the 2018 GALF, most participants agreed that audit institutions need to be present on social media and that such platforms require a different approach. But many of them were unsure how to do that without too much watering down of their work. Fortunately, Jörg Müller-Lietzkow has a solution. 'Serious information will often mean more information, so just a short abstract or statement will not do. But one of the advantages of digital media is that you can link and point the interested reader to more information. It means you should put out the same message in different forms of varying density, to lure the more interested readers from social media towards your more detailed information and data sets. For example, on your website.'



... lure the more interested readers from social media towards your more detailed information and data sets.

He underlines that there might always be stakeholders who really want to get more in-depth and well-edited information for whom you would still need to produce the more 'traditional' type of communication. 'Something you can easily see in the new stakeholder model I recently developed.'



Interview with Jörg Müller-Lietzkow, Professor for media economics and media management *continued*

Jörg Müller-Lietzkow explains that the density of communication he mentioned is a key element. 'When you publish a message on Twitter you only have today 280, before 140 characters to inform and educate your audience. This is not easy, but if you get it right, you have a powerful, well dosed and concentrated message. If you take my three-layer-model, the first layer contains stakeholders you will have to address at any time; these are the most important ones. Politicians, for example, who may have to take decisions based on your information.' He underlines that these stakeholders need very dense information, full of detail, that is different from the type of information one would publish for the media or the public. 'And bear in mind these stakeholders may respond to your message and give feedback.'



When you publish a message on Twitter [...] if you get it right, you have a powerful message.

He continues with the second layer. 'Here you have stakeholders that have an in-depth interest in your information on different levels, but they will not give you direct feedback.' He adds: 'But they still may use the information you spread, and it is very important to realise this, because it could have a significant impact.'

... and Big Data...

Jörg Müller-Lietzkow continues with the third layer. 'This is a technical one that did not exist 30 years ago. It does not contain traditional (human) stakeholders but technical systems, for example bot systems, which will seek and store your information and spread it to other systems.' He stresses that the third layer is something that people may not be aware of, but it is a force that needs to be taken into account, especially in the light of the discussions around big data, data mining and digital audit. Moreover, we or the stakeholders from layer one and two cannot influence communication in this third layer. 'And although human beings have programmed it, it could work on its own as well, and autonomously take your information and do something with it.'

He highlights that if an SAI sends a message, a social bot could spread it to other networks that interpret it very differently from the way the SAI intended. 'You could see the third circle stakeholders as a new kind of multiplier that stores a lot of data, possibly all the data you ever published, reports going back more than 40 years. And a data scientist could use these to create something new, which nowadays is easy, thanks to all sorts of digital tools that help you to get new insights you could never have before.' With a laugh he adds: 'It is more than statistics, it is big data and it comes in real time!'



It is more than statistics, it is big data!

Look ahead, take small steps and use infographics

When asked about his vision for reports and report writing in the future, Jörg Müller-Lietzkow points out that SAIs should focus on the near future, 20 or 30 months away from now, and on things that - realistically - can be achieved. 'At the GALF meeting I explained that if you are capable of combining your data and other valuable information in infographics, people are going to understand the connection between a statement, the supporting data, and the meaning more easily.' Laughing: 'Today the old saying that a picture says more than a thousand words is so true!'



The old saying that a picture says more than a thousand words is so true!

Make it shorter, easier and more visual!

According to Jörg Müller-Lietzkow SAIs could use more pictures and more graphics and communicate more in an interaction model. 'So if people want to look at the data, just offer it to them! That is only one click away. And once you start using responsive systems, like mobile devices, or any kind of projection model - which we will have in 20 to 30 months from now - you should consider that people are going to read, or whatever they will do to use your information, in a more interactive way!'

He gives an example: 'If you take a tablet today and want to mark something in a piece of text, it looks like you are using a traditional text marker. But if I click on something, I want to see something that offers me more complex data and which maybe even allows me

Interview with Jörg Müller-Lietzkow, Professor for media economics and media management *continued*

to switch to a calculation or statistical programme, just to have my own view of the raw data.' He explains that such tools exist already. 'You just need to find out what the possibilities are.'

Jörg Müller-Lietzkow concludes: 'I call on the SAIs to take digital seriously. See it as your number one priority in the coming years, not only regarding communication but also with regard to the question of which data you are willing to publish.' He adds that, in the future, the quality of data will be even more important than the quality of the interpretation of that data. 'Because in the digital world many more people will use your data and come up with their own interpretation. So data are the key to your success!'



I call on the SAIs to take digital seriously. See it as your number one priority in the coming years ...

What SAIs can learn from the gaming industry

As an expert on virtualization strategies in traditional industries and the creator of one of the largest academic games labs in Germany (GameLab Paderborn), Jörg Müller-Lietzkow can offer SAIs a unique perspective on digitalisation, a field that stretches far beyond social media and big data.

Jörg Müller-Lietzkow: 'Of course the gaming industry is huge and very differentiated, but nonetheless very interesting and useful from a SAI's perspective. There are many simulation games out there and economic simulations are very popular. So I think it could be interesting to create a serious simulation game which shows how SAIs work and that they have good intentions. 'So by creating a game you can help your audience to better understand how you are working and what you are doing. This could be very interesting!'

He considers that SAIs' work is about creating economic value from the perspective that they may prevent the taxpayers' money from being wasted. 'And there it becomes interesting, because if you are able to save public money, you can invest that money in public interest!'

He explains that it would be fairly easy to create a simulation game like that and that the outcomes could be surprising. 'I once created a game to see how much income tax people would be willing to pay if they could decide themselves what would be a fair amount. Interesting was that once people started to play in this world we created, more than 50 % of them were willing to pay a higher percentage of tax than they were actually required by law because in the simulation they could see the outcome, what their contribution was used for, much more direct. With a smile he says: 'So if a SAI is able to show people the benefit of its work, they will understand and appreciate what it is doing a lot more. This way your institution's reputation will improve and people will see they can trust you. And if you can create trust, now that is really adding high value!'

The challenge of moderating a high-level meeting



Michel Huissoud



Brigitte Christ

Interview with Michel Huissoud and Brigitte Christ, President and Vice-President of the Swiss Federal Audit Office and facilitators of the 2018 GALF meeting.

By Philipp Dette and Derek Meijers,
Directorate of the Presidency

For the 2018 GALF, the ECA deliberately decided to entrust the facilitation of the discussions to external moderators. Michel Huissoud and Brigitte Christ from the Swiss Federal Audit Office were willing to take up this challenging role. During the interview they explained what motivated them to accept the challenge, how they prepared for the meeting and what kind of methods they used to stimulate interaction and an open discussion. The interview very much reflected the atmosphere during the 2018 GALF: an open exchange, with lots of humour and a great ability to put things into perspective.

Breaking taboos to encourage discussion

When participants in the 5th GALF meeting were asked to describe the meeting, most referred to the very lively and open discussions during the sessions, with many participants engaging into it and often making contributions going beyond the normal 'comfort zone'. When asked how they managed to establish this atmosphere, Michel smiled: 'As an auditor I always say: we sometimes have to break taboos to overcome the conventional thinking model. I think that as a moderator it is the same. You have success if you can surprise people by breaking some traditional models, some habits. Get away from 'we always have done it like this or that.' Brigitte adds that they both also give lectures to students. 'There we also have to think about what one can do to raise students' interest. Do something unexpected. Even if it is somewhat provocative and people may at first not like it, at least they are with you, they start being interested or annoyed, or enthusiastic. But regardless, they are listening to you.'



... we sometimes have to break taboos to overcome the conventional thinking model.



Do something unexpected. [...] they start being interested or annoyed, or enthusiastic. But regardless, they are listening to you.

Interview with Michel Huissoud and Brigitte Christ, President and Vice-President of the Swiss Federal Audit Office and facilitators of the 2018 GALF meeting *continued*

Role play was one of the unorthodox methods Michel and Brigitte used during the GALF meeting. Michel: 'At the Swiss Federal Audit Office we sometimes experiment with role play. Through theatre, by playing a role, people can be encouraged to speak more openly about certain topics.' For Michel, this enables participants 'to exaggerate like in a caricature. This allows them to understand the reality better. And you can show something without being personal.' Looking back Brigitte observes that the discussions turned out to be very lively, and more so than expected: 'Because of this we needed only half of the preparation we did beforehand. It was nice to see there was a dynamic exchange amongst the participants, which made our lives, as moderator, a bit easier. We still had to do our part but the discussion on contents between the participants went without much interference from our side. This was great!'

Michel adds that it was good not to have a very strict and tight programme: 'We enjoyed the flexibility and the support from the ECA. This made many things possible. For example for the e-voting by the participants on our rather provocative questions. After that, participants were well on board to discuss about the answers. Overall, I want to compliment the ECA for the outstanding way they have organised the meeting.' Brigitte remarks that also the selection of the topics was excellent, not avoiding any taboos: 'These were not easy subjects and somebody must dare to pick such topics. Congratulations to the ECA, I think that the thoughts and efforts behind all this were great.'

Cross-cultural moderating

One of the challenges of any GALF meeting is the diversity among the participants from almost all continents. Different cultures may react differently to the moderating style. A particular challenge for Michel and Brigitte who both usually work in a European setting. Michel: 'For us it was also interesting to see how participants would react, for example to the jokes or the role plays, or to the gymnastic exercises Brigitte asked them to do on Friday morning. We were wondering what would be the reaction of the participants coming from, for example, Asia. The last thing we wanted to do is offend anybody. We were very pleasantly surprised that almost all the participants, from each SAI represented, participated in gymnastics, or laughed during the role plays.'

Michel regrets that many high-level congresses are extremely monotone and that they wanted to offer something different. Brigitte agrees: 'Traditionally such meetings are structured around several presentations, prepared by staff from the international relations departments of the participating SAIs. This GALF was different because all the presidents and auditors general presented their own opinions, they could not prepare for the questions, and this was really authentic.'

This doesn't make the role of the moderators necessarily easier. Michel: 'As moderator you have to make sure that all participants can have their say, but at the same time not too much. Sometimes it is even important as a moderator to 'not respect' people. If we see that a president is just reading out a prepared statement, which is not the idea of this meeting, we have to moderate in such a way, for example through a joke, that he stops doing



... there was a dynamic exchange amongst the participants, which made our lives, as moderator, a bit easier.



For us it was also interesting to see how participants would react ...



The last thing we wanted to do is offending anybody.



Sometimes it is even important as moderator to 'not respect' people.

Interview with Michel Huissoud and Brigitte Christ, President and Vice-President of the Swiss Federal Audit Office and facilitators of the 2018 GALF meeting *continued*

this.' Or as Brigitte put it: 'We had to make sure that people talk and all that, but that the discussions remain focussed and reasonably short; at the same time however you need to remain flexible.'

What was also special at this GALF (which was held in English) was that the use of interpreters – preferred by a few delegations - did not interrupt the discussion flow at all. Brigitte: 'No artificial breaks where everything stops because one has to listen to the interpreter.'

Auditors as moderators among auditors

What was very useful in their role as moderators was that they are both, as Michel put it 'auditors, just like the others,' and both have no 'professional' experience in moderating. Michel: 'I already acted before as moderator at international meetings organised by ECA, the first one in 2007. Moreover, in 2015, the ECA has done the peer review of the Swiss Federal Audit Office, so then we got to know more people from the ECA.' Brigitte smiles: 'I can confirm that the ECA staff who came down to Switzerland to do the peer review were really tough. And that is meant to be a compliment. Auditors hate to be audited, and so do we. But it has been a very helpful exercise.' She explains that moderating once or twice a year at international level is also a welcome change: 'This was a big job for us, especially for this GALF meeting with so many top people from Supreme Audit Institutions (SAI) from around the world. Very interesting for us because we can equally take away a lot of experiences ourselves. We knew we would benefit at least as much as anybody else around the table.'

Michel underlines that facilitating discussions among peers is a big advantage because one can relate to the issues directly. 'It is easier because we understand the problems and why someone is answering this or that. At the same time you run the risk of getting too involved.' As president of a SAI it can be difficult to hear something and just not react and give your own view. But as moderator you should refrain from this. That is sometimes difficult.' He then concludes with a smile: 'It was a big challenge, but we like big challenges!'

Both Michel and Brigitte found the country papers very helpful when preparing for the GALF. Brigitte: 'I read them all, and in case people would have participated less we could have relied more on the country papers. But, thanks to the lively discussions this was not really necessary.' She adds that the country papers also gave Michel and herself a good idea about the audience and potential arguments on certain subjects. 'Extremely helpful for us,' they both conclude.

As auditors, Michel and Brigitte took several things home. Brigitte believes the discussions about independence and external pressure were very insightful for the participants: 'On our way back, after the GALF, Michel and I discussed how important it is to be aware of the specific environment in which SAIs operate. I think that in Switzerland our SAI is in quite a comfortable situation compared to some other SAIs.' Michel brings in an additional aspect: 'For me it was important to see that everybody was 'cooking with water.' We all have the same problems, similar solutions and limitations and it was very useful to realise that we are not alone with our



This was a big job for us [...] Very interesting for us because we can equally take away a lot of experiences ourselves.



We all have the same problems, similar solutions and limitations and it was very useful to realise that we are not alone with our problems.

Interview with Michel Huissoud and Brigitte Christ, President and Vice-President of the Swiss Federal Audit Office and facilitators of the 2018 GALF meeting *continued*

problems. This gives energy for the future!' A second take away for the moderators was on how SAls communicate and interact with the external digital world. Brigitte: 'We heard about many interesting practices from other SAls and this made me realise that we really need to think about what we want to do in this respect at our office. Because on some issues we are not there yet.'

Always keeping the humour with a serious undertone

Humour played an important role throughout the 2018 GALF meeting. And also afterwards, during the interview with Michel and Brigitte. When asked about the most important takeaway, Michel's first reply - with a big laugh - is: 'Obviously the ECA 40 euro cent memorial coin! I don't understand how I could have done without it.' Brigitte smiles: 'Michel is our creative director. The jokes, the role plays, the interruptions; that is all his brain. I do not have to do that much from my side.'

Michel and Brigitte actually complement each other in many other respects as well, as shown at many occasions during the GALF meeting. This is not only thanks to their individual abilities, but also because of the open way they talk to each other, also during the interview, which invites others to join the conversation. This feeling was signalled by several of the participants after the meeting.

Michel concludes: 'At the end of the first meeting day I think the feeling of being together in a community, of understanding each other, was very strong. Just before I handed the floor back to ECA President Klaus-Heiner Lehne, there was this minute of silence during which I particularly enjoyed this feeling'. And we believe he was not alone in this feeling.



At the end of the first meeting day I think the feeling of being together in a community, of understanding each other, was very strong.



GALF

Informal exchanges between peers taken to high levels

Feedback from participants in the 5th Global Audit Leadership Forum

Organising the 2018 Global Audit Leadership Forum (GALF) was clearly an honour for the ECA. Ultimately, what matters most is what participants in the 5th GALF thought of it and what they took home from it. Or, to talk in audit terms: time to speak about results and impact. For that purpose, after the meeting, we asked participants to give us their feedback.

Mari Kobayashi, Commissioner on the Board of Audit of Japan, has provided us with her reflections in an article. And so have Per-Kristian Foss, Auditor General and Øivind Berg Larsen, Deputy Director General, of the Office of the Auditor General of Norway. Likewise Arno Visser, President of the Netherlands Court of Audit has given some of his thoughts on the GALF. Moreover, we have interviewed three heads of delegation: Timothy Bowling from the US Government Accountability Office (GAO), who has been involved in GALF from its inception, Nancy Cheng of the Office of the Auditor General of Canada, and Mike Scott of the Office of the Auditor General of New Zealand, whose office hosted the GALF in 2016.

The GALF – an opportunity to create shared values for the SAI community

By Mari Kobayashi, Commissioner, Board of Audit of Japan



The 5th GALF, held at the European Court of Auditors, impressed upon the participants its significance for the community of Supreme Audit Institutions (SAIs). First, the meeting reaffirmed the important role of GALF once again. Second, it gave an insight into critical ways to approach audit objectives in a political context through the exchange of various experiences.

Purpose of GALF

As one of three Commissioners of the Audit Commission, the decision-making organ in the Board of Audit of Japan, I have participated in GALF meetings four times since 2014. Every time, I have been able to share valuable knowledge and experience with the participants. GALF has always brought us fruitful discussions and we have gained an insight into how to identify specific audit objectives in today's extremely uncertain environment and how to improve our audit activities. From these experiences, I realized the appropriateness of the purpose of GALF, as provided for in Article 1 of *The Agreement on Global Audit Leadership Forum* that 'GALF is a small and informal forum for heads of Supreme Audit Institutions (SAIs) which aims to enhance audit activities of member SAIs, address global and strategic issues, as well as to contribute to the INTOSAI community.' There are two specific points here: first, 'small and informal forum,' implies that we can dialogue with each other and discuss freely on important strategic issues in today's changing and global environment; second, the heads of SAIs can reflect the productive results of these meetings in their SAI's activities for their enhancement. Beyond the institutional differences between SAIs, we can have a fruitful exchange of knowledge and experience.



... SAIs can reflect the productive results of these meetings in their SAI's activities for their enhancement.

The GALF – an opportunity to create shared values for the SAI community *continued*

Performance audit in a political context

I could also gain an insight into the critical ways to approach audit objectives in the political context through the discussions of day 1 'limitations of performance audits in a political context.'

In Japan, as our Board is a constitutional organization that is independent of the Cabinet and belongs neither to the Diet – Japan's national parliament - nor to the Japanese courts, it has duties to audit the state accounts as well as those of public organizations and other bodies as provided for by law and supervise financial management to ensure it is adequate. In the performance of these duties, when formulating audit plans and conducting audits, the Board fully takes into consideration discussions at the Diet in order to ensure that audits will meet the expectations of the Diet and citizens.

In addition, to this end, the Board has a section in its organisation, dedicated to carefully following up the discussions at the Diet sessions. Against such a background, the Board has often conducted audits focused on the government's important policy measures, which attracted much attention from the Diet and citizens, and has reported audit findings on these matters. Even in such cases, the Board has conducted audits and made reports of findings strictly in accordance with the applicable laws and the Board of Audit Regulations, without any favor shown to specific political positions. In other words, the Board has strictly sustained its position, in order to verify the appropriateness of financial management for the implementation of policy measures, based on the evidence the Board obtained as a result of the audit. Thus, the Board believes that it has maintained a fair and neutral position as an independent organization under the Constitution.

In these situations, however, through discussions at the GALF meeting, I realized there exist various but influential perspectives within the political context. That is, though the policy itself should be intrinsically based on the long-term perspectives, the short-term perspective can be included in the political decision-making on such policy. On the other hand, the focus of the audit may cover a much wider range, from the short-term to the long-term perspectives, for the benefit of current or future generations. I recognized that it is important to pay more attention to the existence of these different perspectives whenever we conduct performance audits in a political context.



... through discussions at the GALF meeting, I realized there exist various but influential perspectives within the political context. ir enhancement.

Food for thought for audit selection

In Japan, every year the Board sets out its 'Basic Policy on Audit.' For 2018, it has decided to focus its audit activities on areas such as social security, education, environment and energy, economic cooperation and information technology, among others. In addition, we promote cross-cutting audits on policies jointly executed by several ministries and agencies, and, if necessary, also respond to matters of great public concern, in a timely and proper manner. As one of three Commissioners of the Audit Commission, which makes the Board's decisions by consensus of the Commissioners, I will contribute to the enhancement of the accountability and transparency of public spending by encouraging the continuous improvement of audit activities. I am sure that informal dialogue and communication among the SAIs, such as we had during the 5th GALF, create shared values for the SAI community.

GALF provides unique format for informal information sharing at most senior level

Interview with Timothy Bowling of the US Government Accountability Office

By Gaston Moonen, Directorate of the Presidency



Timothy Bowling

GALF, and how it stands out

Timothy Bowling has been the Chief Quality Officer of the US Government Accountability Office (GAO) for many years. And the stately quietness with which Timothy Bowling responds to the interview questions reveal his wide experience and knowledge. His first words during our conversation confirm this long-time experience with meetings at such senior level: 'It is my first time here in Luxembourg, very pleasant I must say. With regards to GALF it is not my first time, I have actually been to three other GALF or Global Working Group meetings, which was the predecessor organization.' He conveys that all the previous meetings he participated in were very helpful. 'We were bringing together some of the best practitioners in the government auditing area, supreme audit institutions (SAIs) that had done some ground breaking work in various areas. It was very helpful to get them together in the same room and share their ideas for what has worked for them and some things that did not work as well. Usually you go away with a few ideas on what you might consider, since they seem to be working in another environment.' Another important point for him is the renewal of relationships with other SAIs: 'Extremely useful to us because we do work together on a variety of issues during the course of the year.'



... Usually you go away with a few ideas on what you might consider, since they seem to be working in another environment.

For Timothy Bowling, GALF meetings have many benefits in common with other international platforms to stimulate exchanges between public auditors, like the International Organisation of Supreme Audit Institutions (INTOSAI) and its regional spin-offs. 'The relatively small group of participants in the GALF in particular allows a personalised exchange of ideas at the highest levels within a SAI.' He believes that this allows for a very frank and open exchange of information: 'People are in my opinion very honest with each other and able to speak on behalf of their institutions with a great deal of knowledge. So the information sharing is of a very high quality!'



... People are in my opinion very honest with each other ...

Pertinent topics chosen

As to the two main discussion topics of the 2018 GALF, Timothy Bowling thinks they are particularly pertinent. 'The one on performance audit and independence has always been very important to us but I think it is increasingly important given the politicization of the governments around the world.' He underlines the challenges SAIs currently face to tell the truth, to provide the information accurately, to be able to make change for a good government. 'This all without getting pulled into the political realm. So I think this first theme is a very pertinent issue and I thought we discussed that very well on the first meeting day, having on the table a variety of approaches that seem to help different institutions.' He points out that SAIs have different charters: 'Some of them keep really clear rules on independence, while others rely more on general principles and the exercise of professional judgement. So it was very helpful to see how everyone is handling that.'



... increasingly important given the politicization of the governments around the world.

When discussing how the first theme ties into the second one on communicating in a digital world, Timothy Bowling laughs: 'It is actually very interesting to hear how other SAIs are dealing with communication issues. Our experience in the US is that the communications challenges are greater than they have ever been before.' He recalls the old days, when the GAO simply printed its audit reports. 'They spoke for themselves, we issued them in paper, we handed them out and that was pretty much the process. Now that does not work if you really want to communicate with citizens in today's world. Even Congress likes to get their information in different formats: more manageable, smaller chunks, higher level summaries with specific details, through a variety of media channels.'

Timothy Bowling explains that the GAO is doing all this and is still working on additional ways to expand the ways in which it provides audit information. 'If we really want to communicate to the tax payers, the American citizens and the media, we need to provide them the content in the ways in which they most prefer to receive it. And that means you don't just provide it in one way; you have to offer it in multiple ways. Otherwise you might actually miss out on a whole generation of citizens!' He refers to the many social media forms there are these days: Facebook, Twitter, YouTube, all of these media channels. 'And it keeps evolving, perhaps more and more quickly.'



If we really want to communicate to the tax payers, the American citizens and the media, we need to provide them the content in the ways in which they most prefer to receive it

Becoming more 'visual'

As to the communication theme, the key issue that Timothy Bowling will bring back to his Comptroller General is that the GAO is on the right track of communicating on several levels, from high level to very detailed, and that it needs to continue developing this approach. 'We started down this road, going from the detailed report to the highlight page, which is a one or two-page summary of the report, to what we now call 'fast facts,' which is a two paragraph high level summary of the report, with a graphic.

Visuals play an increasingly important role in the GAO products, and tie in well to new media approaches, Timothy Bowling explains. 'Visuals draw in the reader. We also have the podcast, which is a ten-minute video of the director responsible for the audit, talking about the work. In short, what has proved to work well is to start something at a high level to draw people's attention. And if people are getting interested, they are more willing to dive into more details.' He underlines that the full report remains the foundation for everything. 'But on top

Interview with Timothy Bowling of the US Government Accountability Office *continued*

of that there are many ways to communicate and get more and more high level summary information, to draw people in.'

Besides visuals, Timothy Bowling finds a good narrative essential. 'The ability to communicate clearly in short paragraphs and sentences is important throughout the process. We particularly emphasize that in our 'fast facts.' He points out that communication analysts participate in writing those in the GAO. 'Besides the team responsible for the audit work we also have somebody from our public affairs department to work on them to ensure that a summary really communicates in the way people like to get their information now: concise, with graphics, with visuals.'

Extemporaneous statement better than a prepared remark

Timothy Bowling is very positive about the different ways used to communicate during the 2018 GALF meeting: 'We had different means of communication within the session, which was very helpful. Having the moderators changing the style and pace, whether it was a question, a listing of answers, role play or making statements and letting people react to them, it was all very effective at getting participation, much more than with a series of presentations.' He believes that focusing on not having prepared remarks was very important for the high level of interaction achieved. 'In the end, getting an extemporaneous response or statement is better than having prepared remarks that often do not encourage interchange. Nearly all of the delegates participated, some more than others, but very effective overall.'



Having the moderators [...] was all very effective at getting participation, much more than with a series of presentations.



Per-Kristian Foss



Øivind Berg Larsen

Looking back at GALF 2018: a surprisingly good forum for networking and decision-making

By Per-Kristian Foss, Auditor General, and Øivind Berg Larsen, Deputy Director General, of the Office of the Auditor General of Norway

Very constructive

In essence, being the head of a SAI is a lonely job. Your organization is the only one of its kind in your country and for most SAIs, including in Norway, there is only one person holding this post. Therefore, it is very constructive and useful to be able to meet your peers in person at a forum such as the GALF. This gives an Auditor General the opportunity to discuss important matters with colleagues at the peer level. These meetings are therefore extremely useful to develop and maintain your network, as they provide opportunities to talk to colleagues from all over the world you otherwise would not meet in person. Having a face to go with a name makes it a lot easier to pick up the phone when you want to discuss something at a later time.

In addition to this, it is interesting to notice that many Auditors General have similar ideas and face similar challenges. From very large organisations, such as the Indian and Chinese SAIs, to much smaller ones, like the Norwegian SAI. And although there are important differences as well, for example regarding the political systems a SAI operates in, it can be surprising to find out that two organisations you thought were very different are actually quite similar.

Key elements of success for the 2018 GALF

A key element for the success of this 2018 GALF was its natural and organic atmosphere, for which we can thank the leadership of President Klaus-Heiner Lehne and the lively moderation by Michel Huissoud and Birgitte Christ of the



In essence, being the head of a SAI is a lonely job.



... many Auditors General have similar ideas and face similar challenges.

Looking back at GALF 2018: a surprisingly good forum for networking and decision-making *continued*

Swiss Federal Audit Office. It is easy to see that it is useful to establish an open and amiable atmosphere in which all participants feel they can freely speak up and that makes everyone want to contribute. In general, this is not always the case at this type of international event, where procedures can be quite ritual and where many things often are decided beforehand or in side meetings.



... it is useful to establish an open and amiable atmosphere in which all participants feel they can freely speak up

Another helpful aspect was the collection of country papers drafted by the participating SAIs. We used these as a discussion tool to prepare for this GALF and found that these country papers also show that different SAIs share a lot of common ground. The only challenge here is the sheer volume of the bundle, which makes working through them quite time consuming. For future GALF meetings, it might be a good idea to summarise the main points of these country papers in a short overview that could be a bit easier to digest.

2018 GALF has been working surprisingly well

Our main impression is that GALF 2018 has been working surprisingly well. Surprisingly because, our concerns that the absence of several heads of major SAIs may negatively affect the discussions fortunately turned out to be unjustified. We found the discussions on performance audit during the first day, which quickly turned into a discussion about independence and relations with parliament, to be particularly valuable. It was good that the heads of SAI were given the floor and also wanted to take the floor on these important issues. We think this is what makes this forum unique and useful for heads of SAIs.

Important decisions taken for future GALF meetings

To conclude, we would also like to mention that we welcome the decision taken that, from now on, the delegations are limited to two representatives and must be headed by the head of the respective SAI. This is a good initiative, as it ensures the importance of future GALF meetings, as well as making them more attractive to attend. Because, as said before, these meetings are intended as a small forum that offers heads of SAI the opportunity to meet and discuss with their peers, and only as such will they continue to be useful.



- 1 Participants of the Global Audit Leadership Forum gathering for a group photo
- 2 Jenni Leppälähti Planning Director- Executive Office- National Audit Office of Finland (Valtiontalouden tarkastusvirasto)
- 3 Arno Visser President- Netherlands Court of Audit (Algemene Rekenkamer)
- 4 ECA President Klaus-Heiner Lehne
- 5 Brigitte Christ Moderator- Vice-President of the Swiss Federal Audit Office
- 6 Yvan Pedersen Assistant Auditor General- Supreme Audit Institution of Denmark (Rigsrevisionen)



- 7 ECA meeting room
- 8 Victor Lahiri Hart, Head of International Relations, Federal Court of Accounts of Brazil
- 9 K. S. Subramanian Director General (International Relations), Office of the Comptroller and Auditor General of India

10 Stefan Lundgren Auditor General, Swedish National Audit Office (Riksrevisionen)

11 ECA Member Bettina Jakobsen

11



10



12



13



14



12 Kay Scheller President- Supreme Audit Institution of Germany (Bundesrechnungshof)

13 Margit Kraker President, Austrian Court of Audit (Rechnungshof)

14 Giovanni Coppola, President of Chamber, Head of the International Relations Office, Supreme Audit Institution of Italy, (Corte dei Conti)

15 Andrey Bazin, Director of the Department for External Accounts Chamber of the Russian Federation, Tatiana Blinova, Board Member, Accounts Chamber of the Russian Federation



16



16 Grant Hehir Auditor-General Australian National Audit Office, ECA President Klaus-Heiner Lehne, Elisabeth Franco, Liaison Officer, European Court of Auditors

17 Grant Hehir-Auditor-General, Australian National Audit Office

18 Jean-Marie Bertrand, Honorary Chamber President, Supreme Audit Institution of France (Cour des comptes)

17



18



19



19 Kimi Makwetu, Auditor-General, Auditor-General of South Africa
 20 ECA Member Danièle Lamarque
 21 Keita Kawabe Senior Deputy Director, Board of Audit of Japan

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22 Seamus McCarthy Comptroller and Auditor General of Ireland
 23 ECA Member João Figueiredo
 24 Niels Gyldenvang Steffensen, Head of Secretariat, Supreme Audit Institution of Denmark, (Rigsrevisionen)

2018 GALF experience that resonates well

Interview with Nancy Cheng, Assistant Auditor General, Office of the Auditor General of Canada

By Gaston Moonen, Directorate of the Presidency



Nancy Cheng

Finding out the nature of the forum, networking, and sharing experiences

For Nancy Cheng, it is the first time she attends GALF in its current format. She was aware that her former Auditor General participated in GALF's predecessor, the Global Working Group. She explains that for the 2018 meeting her Auditor General Michael Ferguson had planned to participate. 'But then he got tied up in an activity in the north of Canada.' Therefore he asked Nancy Cheng, as Assistant Auditor General, to represent the Office of the Auditor General of Canada. 'For me, an important interest was not only to understand and experience the nature of the forum, but also to meet the participants. Networking and information sharing are key elements of meetings like GALF.'

As she did during the GALF sessions, Nancy Cheng formulates clearly and convincingly what is on her mind. She was keen to participate in the GALF discussions to hear about good, better and best practices. 'I am curious to see what other jurisdictions might be struggling with. I find it always good to talk to counterparts in different jurisdictions because you can learn from one another.' Nancy Cheng was not sure before how far GALF would go into the specific subject matters. 'But I suspected there would be some exchange on that. And in fact a lot of what we did was exploring with other colleagues.'



I am curious to see what other jurisdictions might be struggling with.

As to whether the discussion topics were relevant for what her office is currently working on Nancy Cheng is very clear: 'I think that the two themes selected are relevant for just about every audit office. In terms of what they do in different jurisdictions, a lot of information that came forward resonates well with me.' She refers to an example given by a participant about communication and reporting. 'Just very interesting to note that audit offices sometimes deal with issues in a very similar way and that many SAIs do struggle with particular aspects. At the same time there are some differences because of different jurisdictions, with different frames of work, and you have to operate within that.'

Political environment matters, certainly for public auditors

With regard to the first discussion topic regarding carrying out performance audits in a political context, Nancy Cheng points out that this is a rather volatile subject. 'You can take any jurisdiction and say there are flows and ebbs on that. Change an administration and you might have a political party that is perhaps more gun shy than other administrations in terms of saying that there is a problem with 'my' administration.' For her this might occur in any jurisdiction but speaking about the one she knows best, Canada, she notes there is a difference between the current and the previous administration. The current government promotes itself as being open and transparent. 'The previous one was not as receptive to criticisms. The setting was very much risk averse in the public sector. All in all a defensive approach that guards against causing embarrassment to the government.'



Change an administration and you might have a political party that is perhaps more gun shy than other administrations ...

Nancy Cheng explains that in such a setting things you do, also as an audit office, can easily become politically sensitive and the focus might then be less on the issue itself and more on how would findings and conclusions reflect on the government. She adds: 'In terms of report writing, this can have an influence on the tone you use.' She underlines that with the current Canadian government it has only been early days since what her office has been auditing now mostly relates to the previous government. 'But regardless of these successive governments, in Canada the audit office does enjoy the credibility of the public. As a result, often whenever there is an issue out there, departments and agencies would agree with the office. Whether they deep down truly want to subscribe to that might be different, but on the surface they will agree with the Auditor General.'



Public servants do not operate from the perspective of wanting to do bad programming. They do the best with what has been given to them ...

For Nancy Cheng the starting point towards auditee is positive: 'Public servants do not operate from the perspective of wanting to do bad programming. They do the best with what has been given to them in terms of the budget and all of that. And when they look at an issue and say 'yeah, we have a problem' and they do not act on it, this does not mean that they do not believe that there is a problem. It probably meant that there is a bigger fire that they had to put out.' She adds that some of the auditees will also be somewhat thankful for the office to raise the subject. 'When we as audit office look at this, it gives auditees an opportunity to say 'now we have to fix this because the Auditor General is putting the spotlight on it.' However, she underlines that her first focus is not on the auditee: 'I never uses the line 'I am the auditor and I am here to help.' My primary audience is not the auditee but it is the parliament and the citizen. My objective is to improve public administration.'



I never uses the line 'I am the auditor and I am here to help.' My primary audience is not the auditee but it is the parliament and the citizen.

High level of interaction at GALF...at the highest level

Nancy Cheng found the interaction during the GALF meeting very good and she is applauding the role the moderators played in this. 'The Swiss moderators were very good and, being from an audit office themselves, their understanding of the public audit community was very helpful for the discussion. They were also very skilful in ensuring that there is a fair participation from different attendees. It is a little bit funny how they did this, for example using the Swiss bells, but it was good gate keeping.' She finds that if the conversation goes well, people feel that it is an informal setting. 'And this is important because if you make it more formal then you are more making a statement in the room as to trying to have an exchange and interaction.'



... understanding of the public audit community was very helpful for the discussion.

One of the topics discussed was also the terms of reference for future GALFs. For Nancy Cheng this was very reasonable. 'One of the unwritten – or perhaps even written – objectives is networking. So if I am the Auditor General of, say the Netherlands, I perhaps would like to speak to the Auditor General of Canada. No disrespect to you

Interview with Nancy Cheng, Assistant Auditor General, Office of the Audit General of Canada *continued*

Nancy – I am an Assistant Auditor General – but I would like to find out directly from my peer.’ Nancy Cheng indicates that this was one of the issues that came out of an International Congress of Supreme Audit Institutions (INCOSAI) meeting. ‘INCOSAI can sometimes be just too big an event to allow for a real conversation between people. A few like-minded people said: we need more time to talk and get together. And that is the genesis of the group. And now, we are getting a bit bigger and we are starting to ask: who are we, what do we want to do? So it is a balance in size, format, etc.’

Nancy Cheng believes it is good to get clarification on GALF terms for the future and thinks the GALF chair, Klaus-Heiner Lehne, did a good job doing that. With a big laugh, she conveys: ‘And now I understand why: he got lots of practice in the ECA. When you are with 28 Member States and an equal number of Members in your audit office, you have to stay respectful but also try to get the job done.’ For her it is clear that if you want to have an informal exchange you cannot have big numbers of participants. ‘And GALF members truly want to engage with their peers. So that means we should set some rules. And participants were comfortable in setting rules, wanting the Auditors General to participate. And this is where we landed, although it might be different or difficult for certain jurisdictions to always realise this.’



... participants were comfortable in setting rules, wanting the Auditors General to participate.

Overall she looks back at a successful and interesting GALF. ‘The exchange was good and I certainly value the outside boardroom interaction that international forums like the GALF offer. In the end, the face-to-face contacts remain critical to get a good understanding of each other.’

Wanted: Inspiration from conversation

By Arno Visser, President of the Netherlands Court of Audit



Arno Visser

The Art of Audit

In 2015, on the retirement of my predecessor, Saskia J. Stuiveling, the Netherlands Court of Audit (NCA) commissioned a book called *The Art of Audit*. If you were to ask what this book was about, the answer would be 'It's about the people, not the system!' It is about some remarkable auditors, about those that support other auditors in difficult situations, and it is about the opinions of those auditors at a time when speaking out matters. It is therefore also about the courage they need to operate in a world that can sometimes be hostile.

The Global Audit Leadership Forum (GALF) is also about people. The president of the NCA participates in this annual informal meeting of heads of supreme audit institutions (SAIs) to discuss emerging national and international issues. In fact, the people that Saskia met and the discussions she has been part of were the inspiration to commission the book that became *The Art of Audit*.

GALF expanded: purpose and practice

As with any organisation, GALF has also developed over the years. First, when it was still called the Global Working Group (GWG), it started out as a small informal group involving hardly any preparation and no heavy bureaucratic burden for the participants or the rotating organiser. Later, the group expanded and short - and sometimes longer - introductory country papers were drawn up and read in preparation for the meetings. From an informal gathering of colleagues who shared their personal and professional obstacles, it became a formal meeting with an expanding attendance and a more general exchange of information – like so many other 'SAI' meetings.

Therefore, this year I decided not to write such a country paper, but to pose questions for the group of heads of SAIs about the efficiency of our annual GALF meetings and the outlook for the future. My reasoning behind this is that if you really want to have a chance to learn from each other and/or about a topic from an inspirational speaker or from your

Wanted: Inspiration from conversation *continued*

peers, you have to have the opportunity to speak freely and to set up an informal conversation. It has to be personal. Presentations and introductions are sometimes useful, but the real revelations usually only come with the questions and answers afterwards. Trying to have an informal conversation with twenty or more people (who sometimes are also new to each other) is hard, if not impossible sometimes. Not to mention that the bigger and more impersonal the room, the less intimate the conversation becomes.

Welcome steps to ensure informal sharing of experiences in public audit

I participated in GALF 2018 together with Cornelis van der Werf, our freshly installed Secretary-General of the NCA, for whom it was his first international meeting in that capacity. Yes, the introductory speeches gave food for thought and yes, the moderators managed to involve the participants. But for both Cornelis and myself the most useful parts of this GALF-meeting were the informal meetings and talks with colleagues from other SAIs .

During this GALF meeting we - the heads of SAIs - decided to limit the size of our delegations and the maximum number of participants in future meetings. This will help us to address relevant issues in an efficient, inspirational and effective way. Time will tell if we succeed in that objective. I hope for new insights from the personal conversations and professional exchange of opinions and ideas at our next meeting in 2019 in China.



... to limit the size of our delegations [...] will help us to address relevant issues in an efficient, inspirational and effective way.



Cornelis van der Werf

Senior level exchanges at GALF – particularly valued in a complex and uncertain world

**Interview with Mike Scott,
Assistant Auditor-General, Office
of the Auditor-General of New Zealand**

By Gaston Moonen, Directorate
of the Presidency



Mike Scott

Within the spirit of GALF

Mike Scott has been at the Office of the Auditor-General of New Zealand since 2004, and has headed the Office's performance audit team since 2008. His office hosted the 2016 GALF meeting. 'I was coordinating some activities during that GALF meeting. But this is the first GALF I've participated in as a delegate.' He says that creating an informal atmosphere is key. 'Auditors-General can share their views freely and can talk with one another in an environment where they can share common challenges and views on important issues, common across all audit offices around the world. The way the GALF meeting in New Zealand - and certainly also the meeting in Luxembourg - were run was true to that spirit: open discussion, stimulating and very useful.'

Mike Scott currently chairs the Australasian Council of Auditors-General Heads of Performance Audit forum and finds some similarities with GALF. The informal character of the discussions at both GALF and the ACAG forum stands out. At GALF, 'I found that the two moderators, our colleagues from the Swiss audit office, did an excellent job in moderating the meeting. It was incredibly useful to have them – and from an audit office with an in-depth knowledge and experience of the issues that were discussed, which they used towards stimulating discussions and bringing up thoughtful questions.' In his view, the moderators brought a tone and liveliness to the discussions that really made a difference. 'They brought an excellent balance by injecting some humour and great energy into the discussions.'



[The moderators] brought an excellent balance by injecting some humour and great energy into the discussions.

Interview with Mike Scott, Assistant Auditor-General, Office of the Auditor-General of New Zealand *continued*

Relevance to a performance auditor

Working on a daily basis in performance auditing, Mike Scott says that the first main discussion item of the 2018 GALF meeting – carrying out performance audits in a political context – was right up his alley. ‘I recognised the issues and heard some very interesting views. Often, the environment we currently have to audit is marked by complexity, and sometimes also ambiguity and uncertainty. Auditing in such an environment creates challenges when there is a reluctance by public entities to be definitive about objectives. For the public sector, it is uncertain what is going to come by way of change or a potential crisis.’

In such an environment, he points out, it is important for audits to provide transparency and accountability without stifling innovation and different thinking about how public services can be delivered. ‘In auditing the public sector, you have to think about getting that balance right of holding public sector organisations to account and throwing light on what they do, but at the same time not discouraging sensible risk taking and innovation. It is a very careful balance for audit institutions to strike.’ At GALF, he heard audit colleagues talking about how to strike this ‘by identifying what are the really critical risks, the really critical errors, and not being too hard on the minor failures that might have occurred through innovation.’

Mike Scott underlines that innovation is a risky business. ‘Many good ideas come through thinking creatively and it is not always going to be successful. So we need a certain level of having to pursue ideas and spend money on them, but they are not always going to result in the expected outcomes.’ He adds that failure is part of the process. ‘If the ideas that are going to succeed are going to have a greater value, then as long as this failure is not disruptive, is not hugely wasteful and does not involve high risk, it can offer added value.’

Not afraid of social media

Although the first topic was most directly linked to his area of responsibility, Mike Scott also found the second main discussion item – communicating audit findings in a digital world – very relevant. ‘For that one, my biggest take away was not to be afraid of social media as a communication means for audit offices. In fact, we can do quite the opposite: embrace social media as an opportunity. But in doing so, we need to be very clear about who do we want to communicate with and why.’ He adds that, when back in New Zealand, he shared a number of thoughts on this with his communications colleagues, including how different audit offices use social media. He explains that his audit office is fairly active in using social media to communicate about its work. ‘In a way, the discussion was endorsing what our office does. But it was also very useful to hear some of the questions that we need to keep in mind as audit offices when using social media, such as having good controls about what content we put up through our messages, having good protections against hacking of our systems, and social media presence.’

Another issue he brings up is about what stays online. ‘At GALF, we had a discussion about the eternal e-memory. What we put on the internet will never be forgotten. For me, the discussions presented useful reminders of how important it is that if you use social media you have to do it in a considered way.’



... is important for audits to provide transparency and accountability without stifling innovation ...



... my biggest take away was not to be afraid of social media as a communication means for audit offices.



What we put on the internet will never be forgotten.

Interview with Mike Scott, Assistant Auditor-General, Office of the Auditor-General of New Zealand *continued*

Auditing issues directly related to well-being

When discussing what the next GALF, to be held in China, could cover as possible topics, Mike Scott indicates that one strategic issue for his office is how to audit outcomes for citizens. In this respect, he refers to important issues that have a direct bearing on people's well-being. 'How to audit government initiatives to tackle childhood poverty, and diseases associated with poverty. How to audit issues related to family violence. These are sensitive issues to audit, yet hugely critical issues in people's lives, so they are important for the government to address. These are issues we in New Zealand are interested in – very near to people and that have a direct impact on them.' He explains that these issues go together with huge challenges in quantifying and defining what the outcome is. 'And very challenging to audit: looking into causes and effects of what the government does and how it actually impacts on these issues.'



How to audit government initiatives to tackle childhood poverty [...] sensitive issues to audit, yet hugely critical issues in people's lives

Worth the travel

Mike Scott was the GALF delegate with the longest trip to Luxembourg. 'But it was certainly worthwhile! A great opportunity to catch up with colleagues from audit offices around the world. And GALF has something unique, with very open and frank discussions.' In his view, GALF is rightly thinking about the size of the forum, keeping it to a size where discussions can be reasonably intimate to a confined group so everyone can contribute. 'If much bigger, it would probably get unwieldy. Now it was probably the right size and format. For me, it was an honour to represent the audit office of New Zealand in Luxembourg. A very productive and enjoyable experience.'



... GALF has something unique, with very open and frank discussions.

Fresh perspectives and insights presented at the 2018 GALF meeting organized by the ECA



Walton Alencar Rodrigues

By Walton Alencar Rodrigues, Minister, Federal Court of Accounts of Brazil

Walton Alencar Rodrigues is one of the nine members (Ministers) of the Board of the Federal Court of Accounts of Brazil (TCU). He represented his institution at the 2018 GALF meeting. He reflects below on different issues, ranging from the format chosen for the 5th GALF, the relevance of the discussion topics for SAIs, including his own, to meeting future challenges, and opportunities in data analysis and digital communications.

Presenting fresh perspectives and insights

Brazil's Federal Court of Accounts (TCU) values the Global Audit Leadership Forum (GALF) as a unique opportunity for Supreme Audit Institution (SAI) leaders to seek fresh perspectives and insights into our oversight activity. The TCU is a SAI with an exceptionally broad mandate, whose activities run the full gamut of possible audit and oversight roles. As a result, the contributions and outlooks of all the SAIs—whether auditor general offices, courts, or other models—are pertinent and enriching to our institution.

Format and discussion topics

The format of this year's GALF meeting, organized by the European Court of Auditors (ECA), led to especially lively and interesting debates. The keynote speakers were excellent, and I would like to especially commend the moderation provided by Michel Huissoud and Brigitte Christ, President and Vice-President of the Swiss Federal Audit Office. They went far beyond the traditional moderator's role of guiding participation and fostering a balanced discussion, keeping everyone engaged and attentive using creative skits and well-placed humor. This creative moderation served not only to enliven the meeting, but also to challenge us to think outside the box and grapple with contentious, yet critical issues for our SAIs. In other words, their moderation aligned ideally with the objectives of the Forum itself. I must admit my surprise and pleasure at the high quality of the meeting's organization!

The topics chosen this year enhanced the opportunity that the Forum affords to discuss crucial issues and current trends in public sector auditing. The selection of intriguing and highly relevant topics spurred rich discussions, both in the country papers prepared by participating SAIs and in the meeting itself.

Fresh perspectives and insights presented at the 2018 GALF meeting organized by the ECA *continued*

The second topic of discussion that was on the 5th GALF agenda, ‘communicating audit findings in a digital world: challenges and opportunities,’ is universally germane to auditing institutions. The GALF discussions revealed that while the priority ascribed to any given stakeholder may vary by country—with some SAIs expressing that their audit reports are geared almost exclusively to the legislature, while others, like Brazil’s TCU, seek to reach a broader array of stakeholders—all public auditing institutions depend on effective communications to leverage the impact of their work. Furthermore, it is impossible to dissociate a SAI’s communications strategy from the social and political environment that it must navigate to successfully accomplish its mission.

The digital age is upon us, and digital communications challenge all SAIs to make the most of the speed and scope of new media, while preserving the technical integrity and depth of their reporting. Some GALF participants expressed optimism and a generally positive outlook regarding the impact of digital communications on their institutions, while a few clearly regard them, at times, as more of a nuisance or even a threat to their work.

Applying data science techniques

In any case, one very practical issue—which came up repeatedly in the discussions—is the challenge of hiring, retaining, or equipping employees with the skills needed to effectively communicate audit findings and respond to challenges and opportunities in this digital world. Audit work depends on data analysis, and in order to maintain the relevance and impact of audit reports, SAIs need to apply updated data science techniques to cope with data sets that grow continuously in size and complexity. As a few participants pointed out, the human resource competencies that SAIs need to meet these challenges, are in high demand in other institutions—and especially in the private sector—making it difficult to attract and retain the necessary talent.

The TCU is fortunate to have skilled data scientists among its auditing staff, in addition to IT specialists who have developed innovative solutions to using digital communications to bring auditors and civil society closer together. Nevertheless, we will need to invest continuously in training specialized and non-specialized staff in data science and digital communications as information technology deeply affects the audit profession and our audit institutions. We invite the international community to visit our website (www.tcu.gov.br) for an overview of our Court and its oversight work.

Commitment to engage with other SAIs

To meet evolving demands in data analysis and digital communications, international cooperation among SAIs can provide an important contribution. At the SAI leadership level, forums like GALF are extremely important for discussing general approaches to issues like stakeholder engagement, audit reporting, and communications strategies in a digital world. Multiple opportunities also exist for technical exchanges, such as INTOSAI working groups and seminars focused on informational technology in auditing. We are committed to engaging with other SAIs on these issues, including through partnerships with the INTOSAI Development Initiative (IDI), the Capacity Building Committee (CBC), the Knowledge Sharing Committee (KSC), and with the European Court of Auditors, with whom it shares leadership of the Professional Standards Committee (PSC). The TCU also looks forward to future editions of GALF as part of its strategy to keep abreast of current trends and incorporate international insights that strengthen our audit institution.

2019 GALF meeting to be held in China: reflections of the host for next year's meeting on the 2018 GALF

By Qin Boyong, Deputy Auditor General, National Audit Office of the People's Republic of China



Qin Boyong

For the National Audit Office of China (CNAO) this was the second time it had participated as a member of GALF. What has the 5th GALF brought for the CNAO and how does it see its future participation in GALF? The delegation leader of the CNAO, Deputy Auditor General Qin Boyong, shares her impressions and fills us in on how issues discussed in Luxembourg relate to developments in her country.

Sharing strategic issues in government auditing

Since its founding, the Global Audit Leadership Forum (GALF) has been focusing on major strategic issues in government auditing with potential influence on Supreme Audit Institutions (SAIs) worldwide. The National Audit Office of China (CNAO) values the forum highly, and has sent several delegations led by the auditor general or deputy auditors general to previous meetings to exchange views and experience with other audit leaders in public audit from around the world. The CNAO joined GALF as a full member in 2017. This brought us additional opportunities to become more deeply involved in GALF activities, share our experiences and learn from other SAIs.

From 26 to 27 April 2018, I was privileged to attend, on behalf of Hu Zejun, Auditor General of the CNAO, the 5th GALF meeting organized by the European Court of Auditors in Luxembourg. At the meeting, we shared our views, discussed common challenges and envisioned the future development of government auditing with other SAI leaders. The meeting was a tremendous success thanks to the strong leadership of Klaus-Heiner Lehne, ECA President, and the excellent organization of the forum by ECA colleagues. Our delegation was impressed by the following highlights of the meeting.

Highlights of the 5th GALF

First, the selection of topics demonstrated foresight on the part of the SAIs. The two topics – ‘carrying out performance audits in a political context’ and ‘communicating audit findings in a digital world’ – are clearly common challenges facing SAIs all over the world. Based on these two topics, experts and delegates shared valuable knowledge and experience that will help SAIs to improve their respective development strategies and cope with future challenges. Such discussions are particularly helpful in promoting the value and benefits of SAIs as advocated in ISSAI 12.

2019 GALF meeting to be held in China: reflections of the host for next year's meeting on the 2018 GALF *continued*

Second, the animated discussions showcased the unity of SAI leaders. The moderators, Michel Huissoud and Brigitte Christ from the Swiss Federal Audit Office, applied various means including polls and role-plays, to mobilize and energize the discussions. The round-table discussion engaged participants' attention and created an open and cozy atmosphere. The friendly exchange at the meeting is the epitome of the unity in the international audit community, reflecting the core values of the INTOSAI motto 'Mutual experience benefits all.'

Third, the fruitful outcome demonstrated the leading edge of GALF in government auditing. Consensus was reached at the meeting on how SAIs can uphold independence, ensure quality and maintain credibility in a political context, and explorations were made on how SAIs can effectively communicate audit findings in a digital world. Such outcomes could guide SAIs in overcoming external limitations and utilizing audit results more effectively, and lead the development of government auditing worldwide.

GALF as a gateway to experiences

At present, China's government audit management system is undergoing reform, aimed at building a centralized, unified, authoritative and efficient government audit system that covers all public departments and funds. The CNAO also attaches importance to the communication of audit findings, and is using multiple ways and channels to improve the announcement of audit results in the digital world. The meeting has provided CNAO with a gateway to experiences from other SAIs and an opportunity to reflect on our own work. We appreciate the views and knowledge shared by other SAI leaders, and will use the successful experience of other SAIs as a reference in our future work.

2019 GALF in China

It was decided at the meeting that the 6th GALF meeting will be held in China in 2019. By hosting the next GALF meeting, we will be pleased to contribute our efforts and knowledge to the development of the government audit cause worldwide. Following the good practices of this meeting, we will spare no effort to make the next meeting another fruitful event characterized by amity and unity.

On behalf of the CNAO, I welcome all GALF members to China next year!

The 2018 GALF meeting: making it happen

By Roberto Gabella Carena,
Directorate of the Presidency



Organising the GALF meeting may not appear to be that different from organising many of the other meetings that take place at the ECA. However, its purpose, setting and the significant number of high-level participants make GALF a particular challenge. Roberto Gabella Carena reveals what it took in the way of preparations and planning to make the 2018 GALF happen.

ECA conference room

A present from Denmark

In May 2017, ECA President Klaus-Heiner Lehne and ECA Member Bettina Jakobsen attended the annual GALF meeting in Denmark. This was the second time the ECA had attended GALF, after participating in New Zealand in 2015. They came back from Copenhagen with many positive impressions of the two days of discussions with their peers. But also with the news that the 2018 GALF meeting would be organised by the ECA in Luxembourg.

Focus on leadership and forum

Soon after, we at the Directorate of the Presidency started our preparations for a meeting that is, by definition, 'a small and informal forum for heads of SAIs.' The starting point was a decision on the two main topics for discussion: carrying out performance audits in a political context, and communicating audit findings in a digital environment. It was felt that both topics were sufficiently relevant to all GALF members and would trigger interesting and stimulating debates.

After consulting with our colleagues at the Danish SAI who had organised the previous meeting, we decided to follow their successful approach and ask all member SAIs to provide us with a brief country paper. We also invited them to make suggestions for questions on each of the two topics that they would like to be discussed.

The key challenge was to set the right format for the meeting. We knew what we did not want: classical presentations, formal statements, rigid agenda, or breakout sessions reporting back to a plenary session. Instead, we wanted to encourage peer-to-peer discussion and exchange. Therefore, we took inspiration from the literal meaning of GALF, i.e. a Global Audit Leadership Forum. Our aim was to create an environment, a forum, where the global leaders (the heads of SAIs or heads of delegations) would feel free to express themselves and engage in discussions with their peers. This is why we decided

The 2018 GALF meeting: making it happen *continued*

to have 'independent' moderators. We approached the Swiss Federal Audit Office (which is not a GALF member) and were lucky to get on board Michel Huissoud, the President of the Office, and his deputy, Brigitte Christ. Brigitte had already very successfully moderated the seminar of the 2017 Contact Committee of EU SAIs, so we were confident that Michel and Brigitte would be the 'professional' and lively moderators we really needed.

We also succeeded in obtaining inspirational keynote speakers for both topics: Ann Mettler, head of the European Political Strategy Centre (the European Commission's think-tank), and Jörg Müller-Lietzkow, Professor at the Department of Media Studies of the University of Paderborn.

As there were about forty delegates in total, too many to accommodate all of them around the oval table, we went for an unusual way of using the conference room: we created a sort of enlarged oval which facilitated interaction among the participants and left enough space for the moderators to walk around in the middle of the arena.

Motivating GALF members to come

The proposed topics and the two-day programme proved to be appealing to the GALF member SAIs. Almost all of them contributed with country papers and questions. In the end, 20 SAIs and the ECA attended the 5th GALF meeting. We also included in the programme a restricted meeting, for heads of delegation only, to discuss a number of organisational aspects.

Lively and open discussions during the GALF days

The 5th GALF meeting in Luxembourg started on the evening of the 25 April 2018 with the traditional welcome reception: a good way for the participants to meet colleagues from other parts of the world again or to make new acquaintances.

The first day was mainly devoted to the topic of carrying out performance audit in a political context. At the end of the day, during the restricted meeting, the heads of delegations agreed on specific rules regarding membership, composition and size of delegations, and rules of procedure to ensure the smooth functioning of GALF in the years to come, and agreed to accept the SAI of the Russian Federation as a full member of GALF. During the second day, the delegates discussed the issue of communicating audit findings in a digital environment.

Joint success of all participants

From our perspective, it is important to note that the success of the 5th GALF organised by the ECA is a joint success of all delegations, and not only of the host. All participants actively and spontaneously contributed to the discussions, despite the cultural and linguistic barriers, which can sometimes be an obstacle in the context of international cooperation. The keynote speakers did not disappoint our expectations: they were provocative and inspiring. Our two moderators played a key role in successfully facilitating the discussions and creating a collaborative environment. The bell they brought with them from Switzerland was an effective tool to cut short lengthy interventions, and encourage quick interaction and straightforward exchanges of views



Michel Huissoud and Brigitte Christ

The 2018 GALF meeting: making it happen *continued*

The meeting ended with a 'see you next year in Beijing,' as it was decided that the SAI of China would host the meeting in 2019, while the SAI of India would take over in 2020.

Meeting extended in an informal environment

Outside the meeting sessions, the delegates made use of every opportunity to mingle and hold informal discussions. After one and a half days of intense work, there was also some time to relax and enjoy some culture and continue bilateral discussions in an informal setting.

On Friday afternoon, the ECA offered participants a guided tour of the city of Luxembourg. The GALF delegations visited the old town of Luxembourg, a UNESCO world heritage site, rounding off the tour with a session of local food and wine tasting. Our guests, and in particular those from Brazil, Canada, China, India, Japan, South Africa and the USA, highly appreciated this opportunity to discover the tourist highlights of Luxembourg, as evidenced by the hundreds of photos taken during the tour.



GALF delegations at the Place d'Armes

Looking into the history of GALF

By Judith Stein, Directorate of the Presidency

The roots of GALF go back a lot further than just five years, contrary to what one might think given the fact that this year's meeting was the 5th Global Audit Leadership Forum (GALF). Judith Stein dug into the archives of the GALF, interviewing for that purpose also one of the more senior delegates of this year's GALF when it comes to participation in GALF meetings and its predecessors, Timothy Bowling of the U.S. Government Accountability Office.

GALF roots going back to 2000

For the ECA participating in GALF is a rather recent experience. The ECA got in touch with the GALF for the first time in 2015, when former ECA President Vítor Caldeira received an invitation to attend the second GALF meeting in New Zealand. Two years later, the current ECA President Klaus-Heiner Lehne offered to host of the 2018 edition. Although the ECA's involvement in GALF is relatively short, the roots of the forum actually date back to 2000.

A search on the internet does not lead the interested reader to a clear answer on what GALF's history is – leading more often to a golf app, which this author has used to get to a 14 handicap. Some further digging, and with the aid of oral history, reveals that the forum was initially established 18 years ago, by David Walker, former Comptroller-General of the U.S. Government Accountability Office (GAO). During its first years, the forum had the name 'Global Working Group.' In 2013, the participants of the Global Working Group decided to sign an agreement and created the 'Global Audit Leadership Forum,' which took place for the first time in 2014.

Informal spirit as key starting point

Timothy Bowling, this year's GALF participant from the GAO, has participated in the conference for several years now and already worked together with its founder father, David Walker. 'My first opportunity to attend was 12 years ago – I went to Marrakech, Morocco, where I was representing the US GAO and David Walker.' Even before his first participation, Timothy Bowling witnessed the evolution of the conference from its inception to the formal establishment of the GALF. He still remembers the casual way in which the confence was set up: 'David Walker just contacted some of the auditors-general that he had good conversations with or he knew dealt with the same issues as us at the GAO. Those people may even have spread it to other people by themselves – this is how it came into existence.' This informal spirit was passed on to the GALF from its predecessor and marks out the main difference between this and more official meetings such as the International Congress of Supreme Audit Institutions (INCOSAI).

Although the informal way of getting together and discussing issues remains a key aspect of the conference, the choice of members has become more selective compared with earlier conferences. 'Since the Global Working Group was not an official organisation, the membership was never sorted out like these are the type of people who are allowed to



Timothy Bowling



This informal spirit... marks out the main difference between [GALF] and more official meetings...

attend and these are not,' recalls Timothy Bowling. Over the years, he observed that the number of attendants seemed to increase steadily. 'In order to create a lively discussion, it is important to keep the number of participants in a manageable size. That is why this year the members discussed a limit to the number of attendees in order to retain the original principle of talking openly and informally to each other.' He also remarked that the value of such a get-together as through GALF, is notably reflected in the fact that several of the ones who attended in the early 2000s still participate.

Same question but on new issues

Although Timothy Bowling observed that the topics of interest changed over time, their treatment remains similar. 'Some of the topics might change as times change but in the end it's the same question we are dealing with: how can the SAIs deal with the problems that the world and more specifically their country are facing? I remember that in Morocco a big issue was the global recession at that time. The questions we were dealing with were: what information and analysis can we provide to shed the light on what is going on? Do we have any suggestions on how to prevent this sort of thing in the future?' He believes that the approach is the same today. 'In the last two years of GALF we were still looking at issues that are important for all of us and coming up with ways to be able to incorporate new technologies, new audit approaches, in order to address the issues that are facing our supreme audit institutions worldwide.'

The future and GALF

Looking back at 18 years of Global Working Group and GALF, one wonders what the future holds for GALF. Will there still be a similar conference in 18 years? Timothy Bowling is convinced that GALF still has a big potential: 'It occurred to me in the last couple of times that I have been there and even in the earlier times that the participating SAIs get a value out of it. They were learning from each other and there were some cross-transformations of ideas. I had the feeling that everyone went away with some new ideas and new understandings. As the world changes at an ever faster pace, most participants feel that these exchanges will become even more helpful in the future.'



... it is important to keep the number of participants in a manageable size.



SAIs get a value out of it. They were learning from each other and there were some cross-transformations of ideas.

Providing input for the GALF 2018 discussions: the ECA and the 'country papers'

In preparation for the 2018 Global Audit Leadership Forum (GALF) the participating supreme audit offices were invited to contribute a so-called 'country paper' on the two main discussion topics selected. To give the reader of the ECA Journal some insight in what such a country paper entails you find below the 'ECA country papers' on 'Carrying out performance audits in a political context: what are the limitations?' and on 'Communicating audit findings in a digital world: challenges and opportunities'.

Carrying out performance audits in a political context

Are supreme audit institutions (SAIs) political or technical bodies? And how should SAIs interact with the different actors in the political and policy arena? Andreas Bolkart and Wilfred Aquilina deal with these and other questions in the contribution they drafted, which the ECA had as its 'country paper' contribution to the 2018 GALF.

By Wilfred Aquilina, Directorate for Audit Quality Control, and Andreas Bolkart, Directorate of the Presidency

Our mission statement: influencing policy without being political

The European Court of Auditors (ECA) promotes accountability and transparency in EU financial management and is the independent guardian of EU citizens' financial interests. As the EU's independent external auditor, we aim to improve EU financial management. We flag risks, provide assurance on the reliability of financial information, highlight shortcomings and successes, and offer guidance to EU policymakers and legislators on improving the management of EU policies and programmes. As set out in the ECA Strategy for 2018-2020, our ambition is to help keep Europe's citizens informed of how their money is spent.

Our responsibility within the EU's political context: fostering trust through independent Audit

We have a long-established role cemented in the EU's accountability framework. The institutions and organisations we audit, including the European Commission, are accountable to the European Parliament (as representatives of the people) and the Council (representing the Member State governments) for their policy interventions and the management of EU funds. The ECA, in turn, independently checks that EU policies and regulatory frameworks are effective, that financial statements have been correctly presented and fairly stated, and that EU funds have been spent legally and in accordance with the principles of economy, efficiency and effectiveness.



Providing input for the GALF 2018 discussions: the ECA and the 'country papers' continued

The EU is not a regular state but has a hybrid structure comprising an intergovernmental and a federal strand. The balance between these two strands keeps shifting, as was particularly the case during the multiple crises of the past decade, leading to the creation of new fields of EU action. This is why the role of the ECA in the EU's constitutional system poses unique strategic challenges.

The simultaneous occurrence of the financial crisis, the sovereign debt crisis, the migration crisis and the security crisis has also put an extraordinary strain on the socio-economic fabric of many (if not all) of the EU's Member States and has brought the trend of economic convergence between Member States to a halt. At the same time, across the Union we have witnessed a decrease in citizen's trust in the public sector in general, and in EU institutions in particular. In this situation, we have decided to make fostering trust through independent audit the main theme of our 2018-2020 strategy.

We aim to provide relevant, reliable, accurate and unbiased information on what works and what does not work in EU policies and spending. Such an analysis serves as a basis for accountability, policy-making and political debates. We do not express political opinions but, as an independent professional voice, the results of our audit work can be considered incisive and effective in the political arena. Our reports can be of particular use when the institutions discuss and decide *how* to achieve the goals the EU has set in various areas, whether regarding the overall budget, a policy area, a particular spending programme, a regulation or a specific instrument.

ECA Strategy for 2018-2020: increased focus on the performance aspects of EU action

EU citizens and their representatives want to know whether the EU has delivered the results it set out to achieve through its spending. We have been reporting on the added value and performance of EU policies and funds since our early days as an institution, but today's environment provides new challenges and opportunities.

In the 2018-2020 strategy period, we have decided to address performance issues more often, and to increasingly focus on whether the intended results and impact have been achieved and why EU action matters to citizens. In view of reform pressures on the EU, we will also assess, whenever possible, the EU added value and whether the EU should intervene more or less in view of the objectives of the funding or policy.

EU action takes effect in multiple ways within broad, interconnected policy areas alongside national, regional or local public sector action. We will undertake broad reviews of EU action in various policy areas, for example by producing landscape reviews or other types of policy evaluations. This will enable citizens and their representatives to see EU spending and administrative action as part of a bigger picture.

Selecting audit tasks: taking account of the political reality

The next few years will be politically decisive for the EU. Developments concerning the overall future of the EU, its policies and finances will place strain on EU resources and capabilities, and will entail risks to performance and the delivery of the intended impact.

As the EU's external auditor, we have built up a unique expertise in EU financial management and a comprehensive understanding of the political context in which the EU institutions and bodies, and in particular the European Commission, operate. This is also due to the fact that our Treaty mandate affords us privileged access to documents and people.

Providing input for the GALF 2018 discussions: the ECA and the 'country papers' continued

The scope of the ECA's work is increasingly extending to the transposition and implementation of EU regulation at Member State level. This is of key importance in the multi-layered political and administrative framework that is at work in the European Union.

The ECA's work programme for 2018 covers a broad range of relevant issues. The tasks were selected on the basis of an internal assessment of the main risks to both EU spending and policy delivery. The adopted tasks have also been grouped by order of priority in order to optimise the impact and timeliness of the annual work programme.

Our independence does not preclude external stakeholders, including political actors, from suggesting matters for audit, and we explicitly ask the European Parliament to provide us with their input. The final list of tasks is, however, chosen without outside political pressure, with the objective of maximising the use of our resources.

ECA's scrutiny and reports: create trust by promoting accountability and transparency

Our audit work produces independently verified facts, conclusions and recommendations on EU policies and programmes: to what extent policy objectives have been met, how money has been used, how funding choices have been made, and what improvements are possible. In some cases, this involves reviewing sensitive issues and sometimes, unavoidably, even the most carefully worded reports get caught in the political crossfire. In such situations, while we preserve our objectivity and impartiality, we do not shirk from our institutional role.

Our annual and special reports present the current state-of-play on a given subject and facilitate informed decision- and policy-making on the basis of sound, independent and impartial advice. We also use our extensive knowledge base and expertise to produce landscape reviews, rapid case reviews and briefing papers. In addition, we increasingly organise workshops and conferences to stimulate discussion and debate on topical issues, also drawing on the conclusions of our audit work.

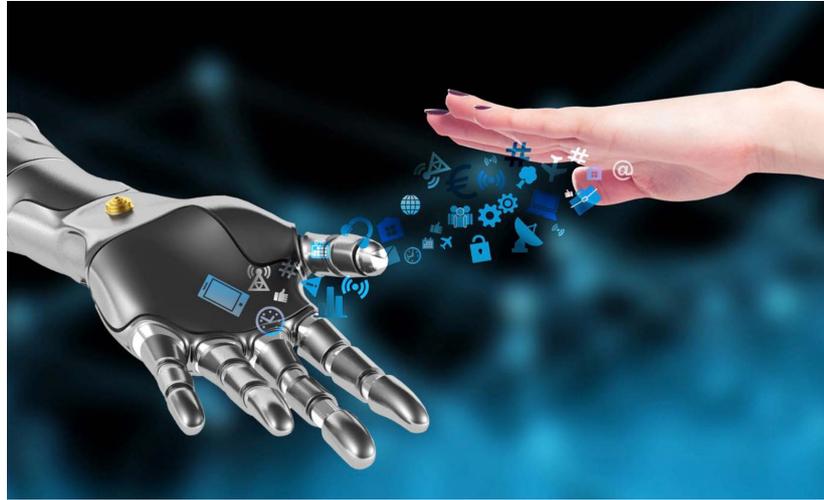
Finally, we issue opinions, which set out our judgement or standpoint on matters relating to EU financial management. Aside from simply providing stakeholders with our perspective on important financial management issues, opinions are often used by the European Parliament, Council and other bodies when preparing or deciding on legislation with a financial impact.

In practice, the impact of our work in the political arena can vary: at times slow and subtle, sometimes quick and obvious. Experience has shown that audits and reviews are more effective when, for example, the auditees and legislators are already planning to make changes and the ECA's output is timed to contribute to those changes. Timely follow-up of accepted recommendations is also crucial to maintain the momentum for reform and to show that someone is monitoring how EU policies are implemented and EU funds are spent.

Summing up, part of our role is to interact with different actors in the political and policy arena. We do this whilst taking measures to remain autonomous, thus making the institution more relevant and influential.

Communicating audit findings in a digital world: challenges and opportunities

For decades supreme audit institutions (SAIs) have presented the results of their work in the form of nuanced and sometimes detailed reports, substantiated by findings and data. How does this work in the current world of digital communication, where social media seems to require a different approach to reach citizens. Fabrice Mercade and Damijan Fišer shed light on how the ECA approaches these issues in the contribution they drafted, which the ECA submitted as its 'country paper' contribution for the 2018 GALF discussions on this topic.



By Fabrice Mercade and Damijan Fišer, Directorate of the Presidency

Effectively communicating audit findings has become increasingly challenging in a digital world. The media environment is changing rapidly and information is processed at an ever-faster pace. Fabrice Mercade and Damijan Fiser, the main contributors to the second 'ECA country paper' fill us in with the main elements that currently constitute ECA's communication policy.

Communication at the core of the ECA's Strategy for 2018-2020

Better communication lies at the heart of the ECA's Strategy for 2018-2020. In the coming years, we aim to identify key cross-cutting messages, based on our findings in different policy areas, and weave them into our entire product range to increase our leverage. We also intend to better target the key decision points in the policy cycle. Additional efforts will be taken to draft clearer (and shorter) reports with more attractive visuals, making our publications more accessible to citizens.

In recent years, the ECA has paid greater attention to the way in which it communicates about its role and work. In particular, we have focused more strongly on press and media communications. This, combined with a choice of audit topics better aligned with the concerns of our audiences, has given a significant boost to the amount of publicity our special reports receive. While the number of reports has risen, the average number of press articles written about each has increased further still. This indicates that the media are showing a greater degree of interest in what we publish.

Enlarged product portfolio

We have recently enlarged our product portfolio. In addition to our standard products (i.e. annual and special reports, opinions), we have introduced three new types of review-based product:

- landscape reviews set out the experiences and knowledge we have accumulated on a selected topic, often from a multi-sectoral perspective;
- briefing papers are similar in philosophy, but address more focused topics;
- rapid case reviews establish and present the facts surrounding very specific issues or problems.

Providing input for the GALF 2018 discussions: the ECA and the 'country papers' continued

For all our products, we aim to produce clear and concise reports, drafted in easily understood language.

Communication throughout the lifecycle of audit tasks

Having traditionally centred our communication strategy on final reports, we have now established a more continuous dialogue on our products and improved communication on planned work and ongoing audit tasks.

In an attempt to move away from a "one-size-fits-all" approach to media-handling, we have added four additional promotional communication activities aimed at increasing our media presence and making greater use of the material we are already producing:

- announcing the start of audit tasks which will be of particular public interest;
- publishing "background papers" on audit tasks that have recently begun, based on the factual information collected during audit-planning;
- giving news on debates on our products in committees at the European Parliament and the Council of the EU;
- publishing internal research, such as subject briefs and policy scans.

Further promotional activities will also help us to achieve a more balanced media presence, particularly on social media, throughout the year.

New communication formats and channels

The internet and social media are increasingly replacing traditional channels for communicating with citizens and specialist audiences. This has led us to rework the way content is prepared and tailored to the different media and target audiences.

The ECA has had an e-publication strategy in force since 2016, which introduced a paperless approach to publishing annual and special reports, and improved formats for digital publication (such as HTML, a format used on all websites and in all web-based publications, together with enhanced PDF for print-on-demand, responsiveness to different screens, etc.).

We have also developed a new electronic corporate communication tool: the Stakeholders Management System. This allows us to target and tailor our communication according to the topic. A new monthly digital newsletter has also been developed, highlighting all recently published reports and new products.

Increased importance of social media

Supreme Audit Institutions (SAIs) have traditionally reached out to citizens via the press. In the new information world, however, a large part of public opinion is formed on Facebook, Twitter and other social media. These networks have created new opportunities for communication. The ECA currently has over 17 000 followers across the four main social media channels: Twitter, Facebook, LinkedIn and Instagram. We undoubtedly need to increase this modest following; but doing so is far from the only challenge we face on social media.

Targeting, planning and optimising messages for each network is essential. The challenge lies in deciding which information, reports, cross-cutting messages and new products to post on which network and when. Social media posts must be short and attention-grabbing, increasingly taking the form of single charts or graphs or short videos. At

Providing input for the GALF 2018 discussions: the ECA and the 'country papers' *continued*

the same time, the story told should relate to people rather than abstract concepts. If we can put a human face on the findings from audit reports, stories become more compelling.

We also use newsletters and a monthly publication ("ECA Journal") to update followers on what we do and how. Again, our ambition is to produce content that we can utilise across multiple channels to maximise impact.

Interacting with our audience

Interacting with the outside world on work in progress will help maximise the quality and impact products. To establish a more continuous dialogue on their work and publications, SAIs will need to focus on calls to action and interacting with the public by posing relevant questions and creating polls. This also implies that interested parties should be able to contact an audit team.

The ECA's communication challenges are heightened by the fact that the public sphere is less developed at European level than it is in the Member States. The Brussel-based media landscape is quite small and not sufficient in itself to reach out to national decision-makers, let alone citizens in EU Member States. Moreover, we work in a multilingual environment, with almost all our products translated and published in 23 working languages. In the years to come we will try to reach out to national audiences in a targeted way, mindful of the resource constraints we face as a small institution.

Above all: content matters ...

When communicating in a digital world, SAIs still need to ensure, first and foremost, that messages are firmly rooted in audit findings. All SAIs, including the ECA, have a major role to play in providing fact-based and reliable information in a world that is moving faster and faster, where data-manipulation is widespread and misinformation (or "fake news") has become commonplace.

A new homecoming to pursue common sense in EU policies

Interview with Tony Murphy,
ECA Member since 1 March 2018

By Derek Meijers and Gaston Moonen,
Directorate of the Presidency



Tony Murphy

On 1 March Tony Murphy succeeded Kevin Cardiff as the new Irish ECA Member where he has been become a member of Chamber II – Investment for Cohesion, Growth and Inclusion. He has been in audit all his professional life, which for him started at the age of 17. An auditor pur sang? Time to find out through an interview with the newly installed, but not so unfamiliar, ECA Member.

From the ECA... to the ECA

Tony Murphy is not new in the ECA. He actually is one of the few ECA Members to have come from within the ECA – as it looks it happened only once before in the 40 years of ECA history. He started in the ECA in 2013 as Head of the Private Office of ECA Member Iliana Ivanova. In May 2017, he moved on to be a director in the ECA, in the Directorate Regulation of Markets and Competitive Economy. When asked what has changed in his day-to-day life he says: 'Nothing much, as I did not have to relocate, except now I get invited to a greater variety of events. I think the biggest change is how people treat you. I, however, intend and hope to stay the same, and I hope others do too.'

In a relaxed atmosphere in his office Tony Murphy conveys that he realises he cannot still do certain things anymore as he did when he was a director in the ECA. 'I will miss going to some of the meetings, like an adversarial meeting with the Commission or so. That is not my role anymore. However, I hope there remains enough interaction with my colleagues in the organisation. It is something about balance, I cannot see everybody all the time but I will still try to do as much as is possible.' It is clear that he wishes to maintain and enhance the link between the ECA College and its staff. As a Member, he feels that his focus



I think the biggest change is how people treat you.

Interview with Tony Murphy, ECA Member since 1 March 2018 *continued*

has changed, and rightly so: 'As a Member you have to be more aware of issues on a more global level. As a director, my focus was on the audit area directly under my responsibility and as head of a private office you had your own tasks. Now, being part of the College you have an interest to know what is going on everywhere.' On this issue he concludes: 'From the other Members I received a very warm welcome, as part of the College team.'

Not a career plan but an action plan

Tony Murphy decided to take action when the Irish government announced a vacancy for the ECA Member position. 'It was the first time such an open procedure happened in Ireland for this particular position. And apparently it is becoming common practice.' He outlines that he was originally supposed to do languages at university – Irish and French studies, but instead ended up in audit. 'I ended up at the Irish National Audit Office, known as the Office of the Comptroller and Auditor General, who offered to train me. I started in audit when I was 17 years old! That was the system, in Ireland and the UK, in those days.' He adds that he was happy with the great portfolio of work: 'No job was the same and we moved around a lot.'

'I wanted a chance to go to Europe before the kids got too old, and broaden my horizons.' Therefore, having served on a number of audit boards in Europe, he then applied for the role of seconded national expert within the Commission. After that I did the competition to become an EU civil servant - there was no great plan in this, things just happened.' He worked in the Commission's Directorate General ECFIN, with his final post being head of unit in internal audit.

Tony Murphy sees his career progress as a sort of natural progression from the junior auditor position until now. When asked which role he believes was integral to his career progression he talks about his time at the Irish National Audit Office: 'That is where I learnt my craft and it gave me access to all the rest. A career in audit from the start.' He points out that he was always learning. 'I liked often changing into different organisations: the variety, different systems. In one place they do it one way and then you have a benchmark to compare to the next. All of these exchanges have allowed for a continuous learning curve.'

Common sense is vital

When asked what for him, with his long career in audit, makes a good auditor, Tony Murphy smiles: 'If you want to be successful...common sense is hugely important. Of course, a professional qualification is a good base, but common sense is vital. You have to be pragmatic, realistic, always willing to listen and learn, without losing your integrity and objectivity.' He experienced that some auditors have a tendency to sometimes preach without listening and are always looking for perfection. 'Striving for it is good, but you cannot always reach it.' He recalls an experience of his days back in Ireland, when talking to a CEO of a hospital at the end of an audit visit. 'This CEO said 'Yes, we should improve procedures, and we will. But I also want the patients out there to be looked after. That is our priority.' And that is common sense. I see auditors sometimes coming in saying to do x, y and z, without taking into account the context. You cannot do that.'

When speaking about the differences between internal and external audit Tony Murphy explains that in internal audit an important issue for him was adaptation.. 'It is easier to come back from being an internal auditor to an



I started in audit when I was 17 years old!



If you want to be successful...common sense is hugely important.

Interview with Tony Murphy, ECA Member since 1 March 2018 *continued*

external auditor position. As the latter you come, visit, make your points and you leave. However, reviewing the work of colleagues who are in the same building, same canteen, every day, that is different.' He underlines that it should not change your audit methodology. 'But from a personal skills point of view you have to be very diplomatic, while preserving your integrity and objectivity. You have to manage it well.' He points out he was among the first internal auditors in the Commission to give a negative audit opinion. 'In this scenario it is about explaining to your director-general that it is about protecting him.' He finds that it requires a different mind-set. 'As external auditor you can say, to a certain degree, what you like. As internal auditor you have to be a good negotiator.'

College as democracy

With years of working experience in EU institutions Tony Murphy is familiar with the collegiate set-up, both in the Commission and the ECA. 'When you start your job you know that there are 28 members. You know that there is a college that works democratically, and that the majority wins. He specifies that there are always going to be things with which you will not fully agree – reports, approaches, perhaps even strategies. 'But you make your points and then it is taken on board or not. It would be a similar situation in a Supreme Audit Institution, where there will be debate between a head of task, audit manager, director, etc. Everyone has their say, but the auditor general has the final decision.'

For Tony Murphy it is clear that the ECA College has many different personalities, cultural backgrounds, and language differences, which make for a useful mix of people. Then jokingly: 'Like in real life. But seriously, it is good to have a mix, with backgrounds in politics, civil service, and in audit. I hope to bring my background and experience to the College, hoping to contribute as much as I can.'

ECA's diverse working environment

Working already for several years in the ECA Tony Murphy still finds the working environment as one of the more striking things of working at the ECA is. 'It is a pleasant organisation to work in and to work for. 'Given the relatively small size of the ECA it is easier to build relationships. He remarks. 'You know most of the people and you get this bonding which you perhaps see less of in larger institutions.'

Having changed from the Commission to the ECA also the outlook of the organisation changed for him, he also believes that the ECA works in a political environment. 'The Parliament, the Court of Justice, the Commission and the European Court of Auditors – we all have a role to play.' He then brings up an issue that was recently discussed during the 2018 Global Audit Leadership Forum. 'How far does our mandate stretch in auditing, do we cross a political line and if so where? And what is the border? Are we overstepping the mark?'

He then continues on this thread by referring to a question he received during his hearing in the European Parliament after his nomination as ECA Member. 'The question was: are you going to start questioning the legislators? I replied that as auditor we are going to look into how good or bad policy was implemented, and with what effects.'



As external auditor you can say, to a certain degree, what you like. As internal auditor you have to be a good negotiator.'



How far does our mandate stretch in auditing ...

Interview with Tony Murphy, ECA Member since 1 March 2018 *continued*

Tony Murphy's audit responsibilities for the moment will be in the area of compliance audit. 'I am now responsible for chapter 6 of our upcoming 2017 Annual Report, covering compliance in the areas of Cohesion, including the European Social Fund. For 2017 we are applying a hybrid approach, focusing more on the control of systems in place, trying to rely more on the work of others as done by the Commission and Member States' audit authorities.' He indicates that an important element in the chapter will be how effective the control systems were. 'What remains most important for me is that we give an audit conclusion for this chapter, as is for any of the other chapters, that is based on solid findings and sound judgement.'

Audit topics for the future

Another issue that currently occupies the ECA Members is the preparation of the annual work programme, in this case for 2019. On this issue, Tony Murphy highlights the importance of having a clear selection criteria for the audit tasks to be chosen. 'One important criterion is public interest. Like with the audits I was involved on such as the Youth Guarantee and Youth employment, there was a huge interest in these topics. It resonates with people, most of us know a young person who cannot find a job, and especially in certain Member States, this is a massive problem. I think we need to come up with more topics like that.' He points out that it is not always that straightforward to audit topics like this: 'It is not like other areas of cohesion policy such as infrastructure so you get into questions like measuring the impact of training, not easy.'

He also believes that EU research funding offers potential for future audits. 'Here I mean not looking more at compliance, like we do annually, but more at results. There are so many public bodies, also at EU level, involved in stimulating research, innovation, knowledge nodes, and for me the question is how do they complement each other. And even more importantly: what research results have been achieved?' He adds that it will not be easy to audit, which is another criteria for him, topics need to be auditable. 'Not always easy,' he concludes. What is most important for him is that the ECA approaches audit topics in a reasonable and balanced way. 'Where possible we should keep those elements in mind, putting things into perspective.'

Providing a full picture about the role and impact of the Union

One of the topics that Tony Murphy considers to be high on the list for the next Multiannual Financial Framework (MFF) and as a future audit topic is Brexit. 'For me, being Irish, this is even more interesting since it is not only financial or a security topic, for many people it is almost a psychological issue.' For him, it displays the importance of advocating the active role of the EU in Member States in order to gain the trust of its citizens. 'It basically shows that we – and not just us but the institutions as a whole – need to make clear what the EU does better.' He adds that he has been in several Member States: 'Many people do not know, and do not really understand, how the EU works. And they only hear the bad things.'

In his view, positive things, tangible things, for people that can be attributed to the Union have not been promoted enough. In other parts of the EU you are not as often exposed to benefits triggered by the EU like you are here in



... for many people [Brexit] is almost a psychological issue ...

Interview with Tony Murphy, ECA Member since 1 March 2018

continued

Luxembourg.' Tony Murphy thinks this is part of the problem: 'There is not always the awareness you are hoping for. A step in addressing this issue of awareness is reaching out to national parliaments. 'Some parliaments take more interest in our work than others. Talking with them is already an important step, and we have 28 Members to do that. ' He adds that it can help if the particular Member State is actually covered in the special report you want to highlight. 'But even if that is the case, there are no guarantees. For example in Ireland, Cohesion policy is less prominent than a generation ago. This is understandable of course as the vast majority of EU spending in Ireland is now related to agriculture.

Tony Murphy concludes that it is not easy to bring forward the ECA messages. 'But at the end of the day we should continue to strive to get our message across to as many people as possible.' He adds that this does not mean the ECA has to prominently feature in the press all the time. 'After all, we are an audit institution, you have to be pragmatic and realistic and perform our main tasks regarding assurance on financial statements, compliance issues and on performance of EU programmes.'

He considers the European Parliament an important forum to get the ECA message across. 'We have increased exposure there, also in terms of going to different committees, we meet different Member State representatives which is important as they then can bring our message back to their national parliaments.'

Reaching out on the EU and its potential to improve

Tony Murphy concludes that how perceptive people are to the European project depends a lot on the country, and even the region. 'If you go to Member States in Eastern Europe, it seems to me that they are much more aware of the EU than in several other Member States. This is, in his view, even visible during the current Bulgarian Presidency of the Council, where, ECA President Klaus-Heiner Lehne got the opportunity to present, for the first time, an ECA special report to the ECOFIN Council of Finance Ministers.'

Tony Murphy clearly realises that in several Member States, including Ireland, there is still a long way to go as far as awareness of what the EU does is concerned and he acknowledges his role in that. 'So as the ECA we need to reach out and explain wherever possible what the EU does, does well and where it needs to improve. Also as ECA Member I will do my utmost to contribute to that objective.'



If you go to Member States in Eastern Europe, it seems to me that they are much more aware of the EU than in several other Member States.

Reaching out

Presentation of new ECA products in Lithuania

By Aušra Maziukaitė, Private Office of Rimantas Šadžius, ECA Member



Rimantas Šadžius and Dr. Arūnas Dulkys, Auditor General of the National Audit Office of Lithuania meeting with colleagues auditors

From 18 to 20 April, ECA Member Rimantas Šadžius visited Lithuania and met officials from the Lithuanian Parliament, the government and the supreme audit institution. Aušra Maziukaitė shares some highlights of what was discussed.

As ECA Member for Institutional Relations, Rimantas Šadžius has often met stakeholders in Brussels and in Member States to raise interest in the ECA's products and to increase their impact. This was also the purpose of his recent meetings in Lithuania.

Getting audit information to EU decision-makers through special reports and briefing papers

Every year, the ECA issues a large number of special reports and review-based publications assessing the effectiveness and efficiency of EU policies and spending programmes, and looking at the performance of EU institutions. They are aimed at helping decision-makers in the European Parliament, the Council, the Commission, national parliaments and government authorities in Member States to make the best possible policy choices.

This year, the ECA began issuing briefing papers on topics related to the preparation of the next Multiannual Financial Framework (MFF). These briefing papers are descriptive and analytical documents in which ECA auditors share their accumulated experience and knowledge on a policy- or programme-management issue.

By April 2018 the ECA has issued three briefing papers on the following subjects. A fourth paper, on simplification in Cohesion policy, will be published on 28 May 2018.

- Future of EU finances: reforming how the EU budget operates
- A contribution to simplification of EU research programme beyond Horizon 2020
- Future of the Common Agricultural Policy (CAP)

These briefing papers respond to our stakeholders' needs: the European Parliament and the Council in particular have been asking the ECA to provide input to inform preliminary legislative discussions.

Presenting recent ECA briefing papers and special reports to the Seimas

These briefing papers were also discussed in the meetings in Vilnius on 18 to 20 April 2018, where Mr Šadžius met the Committees on European Affairs, Audit and Rural Affairs of the Seimas, the Lithuanian Parliament. The participants showed great interest in the ECA's work. The presentations were followed by a discussion on how these overviews and the ECA auditors' insights could be useful in negotiations on the future EU budget.

Rimantas Šadžius also briefly presented the ECA's most recent audit reports to the Seimas's Audit Committee. In particular, there was great interest in Special Report No 9/2018, 'Public Private Partnerships in the EU: Widespread shortcomings and limited benefits' as the issues presented in this report are also of great concern in Lithuania. Following this discussion, the Committee announced that it intended to organise a conference to discuss this matter widely with experts and the authorities concerned. Rimantas Šadžius was furthermore welcomed by Viktoras Pranckietis, Speaker of the Seimas.

Discussing ECA audits with the Lithuanian government

Rimantas Šadžius also met Vilius Šapoka, Finance Minister of Lithuania, where the main findings of Special Report No 3/2018 on the Macroeconomic Imbalance Procedure, Special Report No 2/2018 on the ECB's crisis management for banks, and Special Report No 23/2017 on the Single Resolution Board were discussed in detail. He subsequently had meetings with Virginijus Sinkevičius, Minister of Economics, and Bronius Markauskas, Minister of Agriculture.

Exchanging views with the Lithuanian NAO

Lastly, there was a meeting at the Lithuanian National Audit Office (NAO) with Auditor General Arūnas Dulkys and other auditors. Sharing good audit practices and potential new audit methods has always been a tradition while meeting with colleagues from the NAO. They were particularly interested in the ongoing pilot approach in the ECA's audits on Cohesion spending, as well as the ECA's performance audits on the banking union. Part of the discussion centred on the ECA's review-based publications and the most recent briefing papers. The Lithuanian NAO underlined the importance of adding value as an auditor through various products, and considered the publication of briefing papers to be a positive initiative in this direction.



Rimantas Šadžius (right) meeting with Viktoras Pranckietis (left), Speaker of the Seimas

Reaching out

ECA at European Parliament Hearing on EU budget and Paris Climate Agreement

By Zeinab Drabu, Private Office of Phil Wynn Owen, ECA Member

On 24th April 2018, ECA Member Phil Wynn Owen took up an invitation to present at a public hearing at the European Parliament on the EU budget and the Paris Climate Agreement. The hearing was jointly organised by the Parliament's committees on Budget and Environment, Public Health and Food Safety. Zeinab Drabu reports.



Compatibility of the EU budget with the Paris Climate Agreement

The objective of the EP hearing on 24 April 2018 was to assess the compatibility of current EU and future budgets with the requirements and ambitions of the Paris Climate Agreement. The distribution of climate action spending, the extent to which the EU's commitment to spend 20% of its budget on Climate Action has been attained, and future challenges were addressed.

The hearing was jointly chaired by Jean Arthuis, Chair of the EP Committee on Budgets, and Adina-Ioana Vălean, Chair of the EP Committee on the Environment, Public Health and Food Safety. Ingeborg Gräßle, Chair of the EP Committee on Budgetary Control, was also present. Apart from ECA Member Phil Wynn Owen, high-level representatives from the Commission, the European Investment Bank, CAN-Europe, ECOFYS and Green Budget Europe took part in the hearing. The hearing was organised under the responsibility of Indrek Tarand MEP, who made introductory remarks.

There were three panel discussions on the following themes:

- Challenges and opportunities for the EU Budget in light of the Paris Climate Agreement Objectives.
- Climate mainstreaming in the current 2014-2020 EU budget-integration of climate change considerations across the plans and programmes. Lessons learnt for horizontal priorities in the post-2020 Multiannual Financial Framework (MFF).
- Ensuring EU budget expenditure delivers 'EU-added value': looking forward to 2030.

ECA at European Parliament Hearing on EU budget and Paris Climate Agreement *continued*

Ambitious work underway, but at serious risk of falling short

ECA Member Phil Wynn Owen spoke in the second panel, primarily focusing on the ECA's November 2016 Special Report entitled '*Spending at least one euro in every five from the EU budget on climate action: ambitious work underway, but at serious risk of falling short.*' He underlined that significant progress has been made in relation to mainstreaming EU funding to climate actions, particularly in terms of greater and more focused climate action funding in the European Regional Development Fund and the Cohesion Fund. The report also highlighted areas of weakness in EU budget expenditure on climate action, including a lack of focus on climate in areas such as agriculture and the European Social Fund, the Commission's overestimation of climate spending in rural development and a shortfall in climate spending in research compared to its 35% target. Phil Wynn Owen emphasized the significant potential still to implement improvements in the current MFF.

Referring to the ECA Landscape Review on EU action on energy and climate change, he highlighted current EU greenhouse gas emission trends. He stressed that EU emissions reduction targets and objectives will not be met without additional significant efforts and radical changes in the economy.

Questions raised on climate mainstreaming in the current EU Budget

As part of the debate, Members of the European Parliament raised questions on:

- examining overall climate spending;
- greater enforcement for existing climate change mechanisms;
- the value of an audit on the non-climate part of the budget;
- the effectiveness of the Greening of the Common Agricultural Policy;
- green transport networks and support required for electric vehicles; and
- the scope for earmarking specific budgets within Cohesion policy for the transition away from hydrocarbons.

Phil Wynn Owen commented on all these topics and referred to ECA publications on the Greening of the CAP, Basic Payments Scheme, Internal Energy Market, Nuclear Decommissioning and Briefing papers on the Future of EU finances and the Future of the CAP. He also mentioned the ECA's ongoing audit work on the Commission's support for research and innovation in energy storage.

Overall, the hearing provided a valuable opportunity to reflect on and share the work of the ECA, as well engage in debates on EU action on energy and climate change and climate mainstreaming in the EU Budget.

Zeinab Drabu (right) is an ECA trainee working in the Private Office of Phil Wynn Owen (left). Amongst other tasks, she is supporting the audit team with the ongoing audit task on research and innovation in energy storage.



Reaching out

Europe Day – ECA reaching out to citizens

By Damijan Fišer, Directorate of the Presidency

On Europe Day, several EU institutions make an extra effort to provide information about their activities to EU citizens. And so does the ECA, in Luxembourg, Strasbourg and Brussels. Damijan Fišer was deeply involved in the 2018 activities and gives a report.



Jyrki Katainen, Vice-President of the EU Commission, visiting the ECA stand in Brussels

9 May is Europe Day

Europe has a name day, that is on 9 May, known as Europe Day or Schuman Day. It marks the day when Robert Schuman, a Luxembourg-born French statesman, made the declaration in 1950 on the pooling of the coal and steel resources between France and Germany. It is also by this virtue that he came to be regarded as a founding father of the European Union, which was born in the 50's of the previous century with the signing of its founding Rome Treaties.

In the recent years, Europe Day and the period around it grew increasingly synonymous with the Open Day of the EU institutions and bodies across the Union. This year, it was an opportunity not only to celebrate over sixty years of peace and solidarity among European nations and peoples, but also a chance for the institutions and their staff to reach out to citizens and raise awareness of the EU and its work for citizens. Thousands of people took part in various events, a number of which were held inside the institutions, such as visits, debates, concerts and other activities for people of all ages.

Every year, the ECA is keen to take part in these events, manning information stands and informing the public of our role and work. These events are an opportunity for us not only to reach out to citizens, but also to receive their feedback and to test their knowledge of the audit field and awareness of our institution's role and work, which we do through a very popular EU audit quiz. This year, we are focusing on three of the cities where the EU institutions are seated: Brussels, Luxembourg and Strasbourg.

Varied teams of ECA volunteers

Our teams of volunteers combine different profiles of our staff: auditors, HR experts, communication specialists, private offices of Members, translators, administrators and assistants, and even trainees – so we can better explain to the visitors all areas of our work. On Saturday 5 May, our team was in the EU's capital to represent the ECA at our information

Europe Day – ECA reaching out to citizens *continued*

stand in the European Commission, which on this day also features other EU institutions and bodies. On Wednesday 9 May, our team was in our hometown Luxembourg, manning our stand in the 'European Village' event in the town-centre, which brought together EU institutions and other organisations, including Member States' representations. And to give a heads-up: on Sunday 10 June, our team will be at our information stand in the European Parliament in Strasbourg and look forward to meeting thousands of visitors. Will you be one of them?

Martina Pellegrini, HR expert, leading our 'Brussels Europe Day' team

The atmosphere was very festive, loads of smiley faces and motivation, sharing our personal experience in the EU institutions. Open doors days are an occasion to explain to visitors how each of us is giving its small contribution to the common project called Europe. We had 15000 visitors during the whole day, therefore our team was very busy presenting our institution through ten questions presented in a quiz – some people were really investing time in searching for the answers in our 2017 activity report, while others were more willing to chat and discover more about us. For example, that we are based in Luxembourg and not in Brussels, and that audit means an independent examination of financial statements, financial transactions, organisations, systems, processes or projects. Students and young professionals also asked questions about traineeships and job opportunities, and many other visitors wanted to learn what the typical working day of an auditor looks like.

Giuseppe Diana, experienced auditor on our 'Luxembourg Europe Day' team

We had many visitors on a very sunny day and it was a great experience to both spend time with colleagues we don't always closely work with and to reach out to the citizens and help them better understand the EU and the work its institutions do for them. Most of the visitors at our stand were enthusiastic about the EU and welcomed explanations on the role of the various institutions and European bodies. To test and improve their understanding of the ECA's role, we asked them to fill out our ten-question quiz. Their replies and the frank and open discussion that followed were very helpful: we received their valued feedback and improved awareness, and they walked away with an ECA green pen and some of them also with our Activity Report to read at leisure about our role and activities.

ECA's 2018 Europe Day team: Martina Pellegrini, Agnese Balode, Laura Gores, Kevin Deceuninck, Jean-Francois Hynderick (Brussels); Christelle Bianchi, Judith Stein, Sabine Maur-Helmes, Angelo Laquintana, Georgia Tschlaki, Giuseppe Diana, Ornella Menetto, Patricia Costa Salgado, Nora Kefi, Roussalia Nikolova, Géza Novák, (Luxembourg); Aurelie Girault, Laura Gores, Paolo Pesce, Damijan Fišer (Strasbourg).



From left to right:
Christelle Bianchi, Ornella Menetto, ECA Member Henri Grethen, Sabine Maur-Helmes, Damijan Fišer, Patricia Costa Salgado

Reaching out

Accountability, transparency and integrity in the public sector as key elements of the EU's enlargement process

ECA President gives keynote presentation at a conference on the role of SAIs

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

In the context of the Bulgarian Presidency, the Bulgarian National Audit Office hosted a conference on the role of supreme audit institutions (SAIs). ECA President Klaus-Heiner Lehne and ECA Member Iliana Ivanova, participated in this conference, held in Sofia on 15 May 2018. Mihail Stefanov provides more details.



President of the Bulgarian SAI, Tzvetan Tzvetkov, ECA President Klaus-Heiner Lehne and Iliana Ivanova, ECA Member in the conference on the role of SAIs, hosted by the Bulgarian National Audit Office

Two months after their visit to Bulgaria to discuss the next Multiannual Financial Framework, ECA President Klaus-Heiner Lehne and Iliana Ivanova, Member of the Court, returned to Bulgaria to participate in a high-level conference on the role of SAIs. The conference took place a day ahead of the EU-Western Balkans Summit and provided a forum for EU Member State SAIs to share experiences and good practices with the SAIs of Candidate countries in the Western Balkans.

ECA President started the discussion with a keynote speech, in which he stressed: 'Enhancing accountability, transparency and integrity in the public sector are key elements in the enlargement processes. Ensuring effective and efficient public spending lies at the heart of our mission. Accountability, transparency and integrity are the cornerstones of effective and efficient public finance management and public administration. But they are not an end in themselves in the accession negotiations and the enlargement perspective but remain vital issues in all EU Member States – in the interests of the citizens and Europe as a whole.'



Accountability, transparency and integrity in the public sector as key elements of the EU's enlargement process *continued*

The President of the Bulgarian SAI, Tzvetan Tzvetkov, underlined that audit institutions were a driving force behind important processes involving administrative reforms in the countries from the Western Balkans. The conference was attended by 26 European SAIs, Ministers, MPs and other key stakeholders who discussed a number of important topics such as institutional independence, good governance in the public sector and the communication of audit results.

During their visit to Bulgaria, Klaus-Heiner Lehne and Iliana Ivanova also met a number of key stakeholders, including the Bulgarian President, Rumen Radev, Prime Minister, Boyko Borissov, the Minister of Finance, Vladislav Goranov, as well as the Mayor of Plovdiv, Ivan Totev.

Their meeting with Prime Minister Boyko Borissov focused on the progress of the Western Balkans countries toward joining the EU and the results of ECA audits on the effectiveness of EU pre-accession funds.



'Our own audits in the countries of the Western Balkans have found that EU financial support has been broadly effective and has gone some way to strengthening administrative capacity. However, this has to be set against a background of considerable shortcomings inherent in the national authorities in the region, said the ECA President.

First-hand feedback about the challenges facing beneficiaries of EU funds

The ECA delegation also visited the city of Plovdiv where they discussed with its mayor, Ivan Totev, the implementation of a number of EU projects and the challenges associated with the use of EU funds and financial instruments. The city will be European Capital of Culture 2019 and more than 300 projects have been planned in this context, which is particularly challenging and requires good administrative capacity.



'I came to Plovdiv to hear at first-hand about the challenges facing the beneficiaries of EU funding when it comes to implementing projects and I am very grateful to Mayor Totev for his insights. His observations will provide useful inputs for our future audit work. I would also like to wish Plovdiv well as it prepares to be the European Capital of Culture in 2019. After today's visit, I can say with confidence that it is a well-deserved accolade,' concluded Klaus-Heiner Lehne after his visit.

The two visits by the ECA President to Bulgaria during the Bulgarian Presidency and the outcome of his meetings were reported extensively in the local media, particularly in the light of the EU-Western Balkans summit. The ECA input contributed to the debates on topics considered high on the political agenda and very much welcomed by ECA's stakeholders.

Reaching out

ECA contributes to debate in European Parliament's hearing on EU migration funding in the Union

By Stéphanie Girard and Loris Corzilius, Private Office of Danièle Lamarque, ECA Member

On 16 May 2018, three committees of the European Parliament organised a joint hearing on migration and EU funding to tackle migration issues. A very sensitive political topic with an evident cross-border dimension. Stéphanie Girard and Loris Corzilius report on what was discussed and the input into the discussion provided by ECA Member Danièle Lamarque.



ECA Member Danièle Lamarque

Jointly organised hearing by three EP committees

On 16 May 2018, the European Parliament held a public hearing entitled 'Assessing the flow of EU migration funding within the Union'. The hearing was jointly organised by the EP Committees on Budget (BUDG), Budgetary Control (CONT) and Civil Liberties, Justice and Home Affairs (LIBE). The objectives of the hearing were to track and assess the flow of migration related expenditures and to identify various stakeholders' experiences and challenges in order to identify lessons learnt for future policy-making and implementation.

Speakers, from different backgrounds, included keynote speaker Emily O'Reilly, European Ombudsman, Fabrice Leggeri, Executive Director of Frontex, the EU's European Border and Coast Guard agency, Giorgos Kaminis, Mayor of Athens, and representatives of the European Asylum Support Office (EASO), the UN Refugee Agency (UNHCR), the European Commission, think tanks, academia and NGOs. The ECA was represented by ECA Member Danièle Lamarque.

ECA contributes to debate in European Parliament's hearing on EU migration funding in the Union *continued*

The discussions during the hearing showed clear consensus among all participants about the major and positive role the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF). Both funds were seen to have helped address both short-term and longer-term needs resulting from the migration crisis. The EU support helped the frontline Member States (Italy and Greece) to respond to the dramatic increase in migrants arriving at their borders. Nevertheless, the hearing also revealed some areas for improvement such as complex mechanisms, lack of transparency, coordination and evaluation. One particular area of concern is the fact that the Commission lacks information on how Member States are using EU funds.

In addition to the two funds specifically dedicated to migration, other funds (e.g. the European Social Fund) also contribute to this policy, for example for actions aiming at the integration of migrants. However, also here it is not possible to identify the migration-related expenditure and it is unclear how all the different funds are complementary or interconnected.

EU's financial allocations also need to be better targeted

Several participants noted that funds are not always allocated to Member States with the highest need. This has for example been the case for the UK, which received a large amount of money but did not receive the highest number of asylum seekers and migrants in comparison with other EU Member States.

In urgent and exceptional circumstances, emergency funds can also be used by the Commission and EU Member States to support migrants in need within the Union. This was for example the case in Bulgaria, Greece, Hungary and Italy. Panellists questioned the fact that the emergency funds allocated in those Member States were higher than the initial allocation under AMIF and considered that the Commission should move away from an emergency approach towards a more structured and planned one.

ECA audits on migration

Danièle Lamarque indicated that the ECA has launched several audits in relation with the migration policy and that, since 2016, the ECA Annual report contains a separate chapter on the Multiannual Financial Framework Heading 3 'Security and citizenship.' She also referred to ECA Special Report 6/2017 'The EU response to the refugee crisis: the 'hotspot' approach,' outlining the positive impact of EU support in Greece and Italy. In both Member States, the EU support helped to improve migration management, under very challenging and constantly changing circumstances: reception capacities increased, registration procedures improved and coordination of support efforts was strengthened. She also warned that, given the continuing need to help migrants on the ground, additional efforts are particularly required to help unaccompanied minors. At the same time, streamlining of funding, financial transparency and a robust ex-post assessment are necessary in order to improve the efficiency and effectiveness of EU migration policies. She also informed participants that a briefing paper on 'The integration of migrants from outside the EU' – covering a number of challenges that intersect with the hearing issues – would be published on 17 May 2018.

ECA contributes to debate in European Parliament's hearing on EU migration funding in the Union *continued*

Recommendations for an issue that is there to stay

Concluding the hearing, MEP Ingeborg Grässle and chair of the EP Budgetary Control Committee, formulated a number of recommendations regarding the need for better quality of financial and performance data and for a more effective coordination between the EU and Member States, but also among Member States themselves. In addition, the goals of the EU funds should be more clearly specified and the funds should be allocated to EU Members States based on well-defined needs. The Commission should also set out relevant indicators, which allow assessing the outcomes of the EU's migration policy. Finally, the EU budget has to be more flexible so that it could be adapted on a year-to-year basis according to changing events.

Migration is likely to remain one of the most important issues in the next decades. Therefore, the Union should aim at building a strong asylum and migration policy. Participants underlined that this construction must be accomplished in a transparent, efficient and effective manner and in respect of the democratic values that are at the cornerstone of the EU.



On 16 May 2018, three committees of the European Parliament organised a joint hearing on migration and the EU funding

Publications in April 2018

Special report
N°08/2018



Published on
12 April 2018

EU support for productive investments in businesses - greater focus on durability needed

Generating durable results through EU funds beyond the end of the projects is important to enable positive impacts for the beneficiaries and the regions concerned. Between 2000 and 2013, the ERDF earmarked over 75 billion euro for productive investments in enterprises. We found that for a significant share of the audited projects, the results were not or only partially durable. We concluded that this was mainly due to a lack of emphasis by the Commission and national / regional authorities on the durability of results in the management at both the programme and the project level: whether at the design phase of the operational programmes or at selection, monitoring and evaluation phases. The regulatory framework for the 2014 to 2020 period has introduced improvements regarding durability. We make recommendations addressing the gaps persisting in view of enhancing the durability of results in future EU productive investments.

[Click here for our report](#)

Special report
N°11/2018



Published on
26 April 2018

New options for financing rural development projects: Simpler but not focused on results

Simplified cost options (SCOs) can bring simplification and may decrease the administrative burden for both beneficiaries and Member State authorities. However, they only constitute a small part of rural development spending during the 2014-2020 period. By basing payments on output, SCOs shift the focus away from invoices but do not increase the focus on results. We found that SCOs can keep the costs of rural development projects under control, but only if set at the right level and based on a fair, equitable and verifiable methodology.

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EDITION HIGHLIGHTS

- 05 2018 GALF - a forum for a frank and open exchange between world leaders in public audit**
- 08 2018 Global Audit Leadership Forum: a cocktail of many different beverages**
- 11 Key note speakers spur 2018 GALF participants towards innovation and digitalisation**
- 20 The challenge of moderating a high-level meeting: interaction and open discussion helps to get the most out of leaders**
- 24 Feedback from participants in the 2018 GALF - a forum for a frank and open exchange between world leaders in public audit**

COVER:
Glacier summit in the Austrian mountains
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