



eca
SINCE 1977

SEMINAR ON AUDITING ETHICS

Presentation of the Court's audit on
the management of
conflict of interest
in selected EU agencies

Primary objective of audit

Objective: to determine if, and to what extent, Agencies have adequate policies and procedures for preventing and dealing with conflict of interest.

Focus: on the management of conflict of interest of individuals playing a major role in scientific and/or certification decision-making in four selected Agencies.

Mandate

Article 287 TFEU

The Court of Auditors may also, at any time, submit observations, particularly in the form of special reports, on specific questions and deliver opinions at the request of one of the other institutions of the Union.

Audit criteria – the exclusions



The audit did NOT cover :

- ✓ procurement and recruitment procedures (subject to annual audits);
- ✓ the assessment of specific conflict of interest situations as such (would involve an intensive examination of the circumstances of those situations as well as arbitrary judgements);
- ✓ the validity of the methods which selected agencies use to assess the results of research funded by industry (would require scientific expertise);
- ✓ policies and procedures introduced after the Court completed its audit field work (October 2011).

Audit criteria – the search for a reference framework

There are EU rules and provisions on conflict of interest for EU staff

BUT

There is no comprehensive EU reference framework



The Court therefore applied as a reference framework for the audit the OECD guidelines
“Managing Conflict of interest” (2003)
 and *“Post- Employment”* (2010)


Methods and tools used

- Analysis of the selected Agencies' regulatory framework;
- Meetings with the selected Agencies' management, staff and various boards (Management Board, Advisory Board, Board of Appeal);
- Analysis of a questionnaire completed by the selected Agencies;
- Desk review of selected Agencies' policies, procedures, internal guidelines, declarations of interests, minutes of the Scientific Panels/Committees' meetings, staff's personal files, etc.; and
- Examination of how selected Agencies applied their policies and procedures to specific cases (e.g. staff, experts, Members of the Management Board, etc.).

Key findings and recommendations



- Do the selected Agencies adequately manage conflict of interest situations? No
- Are there adequate policies and procedures in place to manage conflict of interest situations? Shortcomings of varying degrees – selected Agencies should (establish or) continue developing their policies and procedures.
- Have selected Agencies adequately implemented their policies and procedures on management of conflict of interest situations? Shortcomings of varying degrees – there is a need to improve the implementation of policies and procedures.



SEMINAR ON AUDITING ETHICS

Good / Bad practices

- ✓ Scope and audit criteria were well-defined;
- ✓ The audit was not a witch-hunt exercise;
- ✓ Difficulties in managing stakeholders' expectations
– keeping them realistic.



SEMINAR ON AUDITING ETHICS

***THANK YOU FOR YOUR
ATTENTION***

ANY QUESTIONS?