

# Creating value and driving sustainability, accountability and the digital agenda through Public Sector Innovation

26 September 2019

## REPORT

On 26 September 2019, ACCA (the Association of Chartered Certified Accountants) organised a conference called **Creating value and driving sustainability, accountability and the digital agenda through Public Sector Innovation**. The event took place at the European Court of auditors in Luxembourg and was hosted by **Lazaros S Lazarou**, Member of the European Court of Auditors, Dean of Chamber V “Financing and administering the Union” and Member for the Annual Report.



After a welcome speech by **Lazaros S Lazarou**, the first panel on **How do we cultivate Public Sector innovation?** moderated by Alex Metcalfe, Head of Public Sector Policy, ACCA, was comprised of **Piret Tõnurist**, OECD, OPSI; **Shiva Dustdar**, Head of Innovation Finance Advisory Division, Advisory Services, EIB; **Stavroula Demetriades**, Senior Research Manager, Eurofound; **Prof. dr Koen Verhoest** - Research Professor (ZAPBOF), Research Group on Politics & Public Governance, Dept. of Political Science, University of Antwerp.



The second panel on **Practical applications of innovation towards digitalization, sustainability, creating value and accountability**, moderated by Brian Mc Enery, Partner & Head of Healthcare; BDO, gathered **Emanuele Baldacci**, Director for Digital Services, DG Informatics, European Commission; **Eva Lindström**, Member of ECA's Chamber V, reporting Member of ECA's review on sustainability reporting and chair of ECA's digital steering committee; **François-Xavier Borsi**, Senior Manager, Economist, KPMG, and **Pirkko Lahdelma** Director at the National Audit Office of Finland. The closing speech was delivered by **Klaus-Heiner Lehne**, President of the ECA (video message).

Discussions, which starting point were the recent ACCA ACCA's report titled [Innovation in Public Finance](#), confirmed that the public sector can, and should be a driver of innovation; creating innovation through governments and public sector is often the most impactful but also the harder route. The [OECD - OPSI model](#) shows that we need to support innovation in different ways and as a consequence, there are a variety of ways - top down/bottom up- to cultivate innovation in the public sector.

The debate also revealed that a common element among the different paths towards innovation is the participatory role of employees in designing and implementing the practice along with dialogue with employee representatives regarding changes and the future of the service. It also highlighted the importance of collaborative innovation, where the public sector develop new services, policies, technologies or processes together with other government organisations, private actors and citizens/users.

### **Main highlights**

**Lazaros S Lazarou**, Member of the European Court of Auditors, Dean of Chamber V “Financing and administering the Union” and Member for the Annual Report

- The ECA is EU's external auditor, assisting the European Parliament and Council in the discharge process where the Commission is held to account for the management of EU funds. The Chamber V “Financing and administering the Union” has taken sustainability as a priority topic and ECA member Eva Lindström has presented the case review in June. She also chairs the ECA Digital Steering Committee.
- Governments around the world face a vast array of challenges, from declining public trust to technological disruption, from budget reductions to talent shortages. These challenges call for innovative responses. But in the face of demanding and often critical citizens, new economic, social and environmental challenges and accelerating technological change will an incremental, largely managerially-mandated, model of innovation - as observed today- be sufficient? The answer from the new ACCA report on ***Innovation in Public Finance*** is an unambiguous ‘no’. Based on four distinct research methods, it makes the case for more radical innovation in public finance, while demonstrating that the finance function must play a central role in completing this journey. To address today's interconnected challenges, we indeed need to move from incremental to more radical innovation – resulting in full system changes that fundamentally rework how we deliver public services.
- The future is unpredictable. Leaders – whether of nations, cities, or institutions like for example this Court or the European Commission – need to be able to experiment and adapt. Of course, dynamic change on this scale is risky, and bringing new ideas to life can be disruptive. Unlike the private sector, moving to radical innovation for the public sector is a challenge in itself – stability has to be sustained. This is a double-bind for the public sector innovator. In the public sector first-mover advantages do not apply, not just because of the lack of traditional market pressures, but also due to the need to manage risk while trying to scale-up innovation. But ultimately, as many of those who responded to the ACCA's survey recognised, aiming for transformation may be less risky than hoping it can be avoided. The status quo is no longer an option.
- We also see that one of the key methods of achieving radical change is through connection. Radical ideas will often come from a wider network of stakeholders, including the users involved in a programme or service.
- This conference is as part of ACCA's quarterly brand theme on the “*power of connections*”. It is true that through power of connection ideas can translate into concrete actions that will achieve change in public sector finance.

First panel on **How do we cultivate Public Sector innovation?**

- **Alex Metcalfe**, Head of Public Sector Policy, ACCA, moderated the panel and presented ACCA's report titled [Innovation in Public Finance](#). As part of the research, ACCA completed literature review to understand the landscape as it stands and what it means to innovate in

public sector. There were three consistent factors that made up innovation: innovative initiative had to be new to the context; had been implemented; sought to improve public value.

- 4500 survey responses showed that there was quite a bit of innovation, both in private and public sector. Innovation was more likely to be happening across the organisation – collaboration is a very important feature.
- The framework of the report is called Innovation Compass. This helped to understand what kind of innovation is happening right now; more importantly – what kind of innovation we need to face the complex challenges in public sector. Two variables were used to create the Compass: whether innovation was directed/undirected; incremental/radical nature of innovation.
- The survey responses showed that most innovation was incremental in nature. When asked what type of innovation is required to meet government's current challenges, finance professionals felt that there needs to be more radical forms of innovation. This is a very strong message – a fairly conservative community believes that radical change is necessary.
- The report also points out the critical role of the finance profession. The report showcases the OECD's lifecycle and demonstrates how the finance function has a critical role to play at every single stage of this innovation lifecycle.

#### **Piret Tõnurist, OECD, Observatory of Public Sector Innovation (OPSI)**

- The OPSI works with member states and member companies on three main goals: provide trusted advice; uncovering emerging practice and identify what's next; turning the new into the normal.
- The OPSI does not assume that all public sector innovations make things better. The aim might be improve public value but public value is an equation – transparency might go up but the privacy might go down. The ACCA report is one of the first efforts to look at the multifaceted way of measuring public sector innovation and establishing the current state of play within the public sector in its entirety.
- This is the Observatory's guiding model for public sector innovation that could also be applied for private sector innovation. All organisations and public sector in its entirety need all types of innovations because there will continuously be new needs and innovation must adapt to that. It is therefore important to enhance current systems to run them more effectively and efficiently as a core value in public sector.
- The job of government is to prepare and proactively search for solutions pre-emptively to future risks. This is what governments need to do daily and innovation needs to be systemically a part of all government activities.
- Systemic approach is needed for different innovation portfolios. The auditing and accountability structure within the public sector will affect different types of innovations differently. For example, in case of anticipatory innovations, which are connected to high uncertainty and risk, auditing activities can create room for that type of thinking when attention is directed to risks that are not being accounted for by the public sector and d that systemically.
- Different players within the public sector have different roles within it. There are also different methods to support different types of innovation. This is why we need to look at different kinds of innovation separately.
- We also have to cover this approach from all levels of government and governance. We have to look at the approaches that will support innovation from individual level, organisational level and also from a systemic level. If we don't have systems, activities and functions in place that support innovation, the call to innovate will then fall on organisations themselves. When organisations don't take up the call to innovate, it usually falls on individuals.
- No country is the same when it comes to public sector innovation. Government structures in different countries require different responsibility divisions.
- Telling good stories is very important. Even in situations with resources are scarce, main motivators remain the sense of urgency and crisis. Another key factor is to focus on organisational relevance – innovation will come to organisation or they will be a part of shaping it.

**Shiva Dustdar**, Head of Division Innovation Finance Advisory, EIB

- The Division Innovation Finance Advisory (IFA) was set up to further improve the EIB service offering to the wider innovation ecosystem and continually assess if its financial products were fit for purpose or needed to be amended or expanded. As a result, IFA has three lines of activity; project advisory offering financial advisory support to innovative project promoters; thematic finance advisory conducting market assessment studies and ecosystem /product development, connecting the player and developing new financial products. In its project advisory support, IFA has also advised the public sector/ ministries how to use their scarce budgets in a more effective way through blended finance and financial instruments. This has been recently done in Ireland and Portugal .
- With the market studies, IFA aims to understand the access to finance challenges and opportunities across sectors, looking for the “next big thing and assessing what EIB would need to do to support innovation in those areas. Currently, IFA is working on a number of studies in digital economy, including AI, blockchain, 5G downstream businesses as well as on access to finance for female entrepreneurs. This has led to over 25 studies published across various thematic areas many of which are publicly available on the EIB website. These studies also provide feedback from the market on players’ awareness on EU financial instruments. In many cases, the studies show that there is a real information gap.
- In certain cases, following such studies, the European Commission and the Bank have jointly set up new financial instruments, such as the Infectious Diseases Finance Facility (IDFF) and the European Circular Bioeconomy Fund, In addition to helping EIB innovate its own activities, IFA also helps its clients in their use of innovative finance. Blended finance is a theme that is of great interest to many of its clients. It is important to understand how budgets can be used smarter. It is still underutilised across Europe
- The main purpose of blended finance is risk sharing mechanism between parties that may have different risk appetites.
- Public sector agencies often have a scarce budget to fund research and innovation. Historically grants are being used to fund it; this requires using the resources smartly and reserving part of the budget for blended finance through which other funding can be attracted. This might allow going for projects that have greater visibility of cash flows and potential for repay-ability. It is about a mindset change which can be a powerful tool to do more with less.

**Stavroula Demetriades**, Senior Research Manager, Eurofound

- The Eurofound European Company Survey, carried out in 2013, analysed workplace practices of European companies. Some public sector organisations were included in the survey. The survey mainly focussed on three sectors: health, education and public administration.
- These sectors were asked whether they have introduced any innovation. Half of the employees are in organisations that have introduced organisational innovation. Slightly fewer employees are placed in organisations that have introduced service/product and process innovation. The majority monitor quality continuously; a large proportion of employees find themselves in organisations that monitor external ideas.
- Workplace innovation research looked at specific elements: employee involvement; the practice is ‘new’ to the organisation; structural and cultural applications; practices addressing organisational goals; links with performance and well-being.
- The research found that organisations take different paths in order to achieve results; there is no single road. Managers, employees and employee representatives named main motivations for introducing such practices: efficiency, innovative capability, learning and development opportunities.
- The Eurofound research on workplace innovation also asked whether the interviewed managers, employees and their representatives saw positive impacts of the workplace innovation practices in the organisation. Managers reported that there were positive impacts in efficiency and sustainability, also positive impacts on organisation overall, for instance more employee engagement. Workers reported that they had more opportunities to learn and to participate through this process; they also had more interesting and challenging jobs. Employee representatives confirmed that they had more opportunities to express employee voice.

- Eurofound looked at different case study examples to see how exactly workplace practices were introduced in organisations. One of the case study examples involves local authorities in Denmark; managers and employees from technical services introduced “self-managing gangs” and invested a lot in experiments and skills. Another case study – a state organisation in the energy sector in Lithuania introduced innovation committees and innovation practices in a systematic way and with commitment and clear communication.
- As regards the public innovation challenges today, there is a need to develop a different toolkit suitable for today’s challenges. In the past, people looked for best practices. However, Eurofound’s research did not seek for best practices. Organisations tend to follow their own path and the elements they choose are unique to the organisation. A common and critical element in all studied organisations with workplace innovation practices in place is that they all invite employees to participate. Even the most brilliant ideas cannot be implemented without the buy-in of the workforce; solutions to problems with service delivery require input from employees. Private companies get their best innovation ideas from the workforce – the same can be done in the public sector.
- Some organisations are using procurement in a smart way to allow innovation to flourish. In other cases, innovators use ‘innovative’ budgeting approaches and innovation activities are not financed through a specific unit’s budget but in a horizontal fashion.

Prof. dr **Koen Verhoest** - Research Professor (ZAPBOF), Research Group on Politics & Public Governance, Dept. of Political Science, University of Antwerp

- The ACCA research stressed that radical innovation needs public sector to collaborate with other actors and this is what University of Antwerp has been researching together with other universities in interuniversity projects PSI-CO and TROPICO. The idea is to study how public sector works with private actors in collaborative arrangements and citizens to create new solutions, services, policies, technologies or processes.
- Cases of different sizes were studied through interviews, surveys and social network analysis. Three steps are needed in order to come to innovation through collaborative arrangements. First of all, synergies are needed – difference resources and opinions need to be brought together and combined; this is crucial in order to come to radical solutions. Second stage – there is a process of transformation and learning. Third step – building commitment and ownership among participants and their home-organisations in order to implement the innovation and to sustain it over time.
- In order to allow these three steps to work, participation must take place at three levels: individual, home-organisation and collaborative arrangement. The elements of creativity and learning attitude are extremely important at the level of individual participation; there must be high public service motivation and high level of trust propensity; diversity in background is also very important, however individual participants shouldn’t be too diverse so they cannot understand each other. When it comes to creating solutions, it is essential that individuals learn at three levels: content of the issue, relations between actors and political dimension.
- Individuals in collaborative arrangements often get a mandate from their home-organisations that tend to restrict them or guide them – home-organisations play an important role, especially in the way they constrain or stimulate the individual participants. Leadership style of managers should be supportive; managers should give individual participants room for autonomy.
- As regards to organisational culture, findings show that a hierarchical and administrative culture of home-organisations is not good in generating ideas because people are controlled by the organisation and don’t think freely; however this may be an advantage when it comes to committing organisations to implement innovation because a hierarchical and administrative culture often has often good procedures for implementation.
- The element of red tape was also studied by the universities. Findings show that there should be enough flexibility to reshuffle resources; there should also be a possibility to establish non-regulated zones to experiment; tendering rules often have a very restrictive impact on collaborative arrangements.
- There should be a capacity to routinize innovation into regular work at organisational level; this is called ambidextrous capacity. The connective capacity is also very important, so that organisations and individuals can easily build partnerships with other actors.

- Diversity is one of the key elements at the level of collaborative arrangements. End-users and powerful actors should be included as much as possible in the arrangements. Smart governance structures are needed for this type of interactions.
- It is important to strengthen the capacity to manage collaborative innovation arrangements. One of the ways to do it is introducing process rules on how decisions will be made, or strategies focussing on exploring content, connecting actors and ideas and arranging interactions. Another ways to do it is introducing common language among the partners. A smart combination is needed between process management and project management, depending on whether the innovation project is goal-seeking (relatively more process management) or goal-directed (relatively more project management).

## Second panel on **Practical applications of innovation towards digitalization, sustainability, creating value and accountability**

**Brian Mc Enery**, Partner & Head of Healthcare; BDO

- The healthcare of the ageing population in Europe is becoming one of the greatest challenges to governments. National governments need to be the catalysts of innovation. Homecare is one area where much greater need to deliver solution is required. It is very much the desire of older citizens to be able to live in their homes rather than in long term care settings. Governments also must balance their healthcare budgets in order to move in that direction. Technology and innovation in this field is hugely important.
- Innovation is not just for entrepreneurs and ‘rule-breakers’. It takes team work to innovate, people with a diverse range of perspective, insights and skills who can meet the challenges of radical innovation. Radical ideas will often come from a wider network of stakeholders – a wider innovation ecosystem - including the users involved in a programme or service. It is through the power of connections that new ideas can translate into concrete actions that will achieve change in the public sector finance function, and public finance professionals must play a role as key enablers and supporters of this change.

**Emanuele Baldacci**, Director for Digital Services, DG Informatics, European Commission

- The spirit of European Commission’s Digital Strategy is that technology is just an enabler. We need to start from the business perspective and see what value we need to create; technology then comes next as a facilitator or a supportive element.
- Putting new technologies on existing business processes will not create a lot of value of facilitate lives of end-users. The fundamental principle of our business processes will not be addressed in this way, unless the opportunity of technological revolution will be used to fundamentally rethink the way services are provided.
- When trying to get access to services, instead of having several single windows, users would like to have a real single window – a real way to interact to government where they don’t need to repeat the same information. Interoperability is an enabler of this concept. Once-only principle is a very simple principle, yet a very powerful one. Changing the way services are designed and connecting the dots, or allowing technology to do it, is a game-changer for citizens.
- Looking at users as the centre of the strategy is a key component of the business-driven element in the digital transformation of organisation. This also means being humble and not pretending that departments know everything – there are a lot of questions that organisations need to ask the users. User journeys need to make sense for users.
- The principle of being data-driven is also very important. Data is key asset for any organisation, including public sector. However, data is often used in a very unstructured way and many public organisations have a very fragmented data ecosystems. Being data-driven means that information should be at the service of the processes.
- The EC strategy is based on a “co-everything” approach. Things cannot be done in isolation; the only way to achieve the ambitions of the strategy is to: co-deliver, co-develop, co-secure, co-govern and co-finance.

- The innovation aspect also comes with the change in the approach. We need to learn a lot by experimenting which comes with a possibility of failure.
- In order to implement an ambitious plan, a process in place is needed. The process that was agreed within the Commission was to work around two concepts: the concept of business-led modernisation plan – talking to businesses and identifying challenges they have in policy environment – and capabilities which are building blocks of technology platform.
- The EC President-elect made it clear in her political priorities that digital transformation is key policy priority area for Europe. The EC should walk the talk and lead by example – we cannot go to public administrations all over Europe and ask to implement new policies unless the EC is also doing it in an advanced way. As a small example, as of 1<sup>st</sup> November, all European Commission meetings will be completely paperless.
- Asking the right questions triggers innovation in terms of processes. Auditors' work could be inspiring changes which are eventually going to allow the public sector to measure the value that we are creating on the basis of the results as oppose to pure traditional compliance with rules type of approach. It is important to be creative within the rules; we need labs where we can experiment before going further.

**Eva Lindström**, Member of ECA's Chamber V, reporting Member of ECA's review on sustainability reporting and chair of ECA's digital steering committee

- There are two major forces that are driving development in our society: digitalisation and growing demand for sustainable development. Both forces are important in bringing us forward, they are also both disruptive – they cause change and are connected to big challenges. These forces are also very closely interconnected.
- Sustainability is a key issue for many voters – it is the right time to address this subject. The role of auditors must be discussed because there is a demand for non-financial information. It is very much driven by investors in the private sector; most of them have realised that sustainability risks are also financial risks. There is a growing market for sustainability reporting and its scope goes way beyond climate.
- An important question is whether the information of sustainability reporting can be trusted or is it just a PR product. Providing assurance is a key role for auditors.
- The ECA has looked into how the EU commission and EU institutions and agencies are reporting on sustainable information and raised the importance of the role of auditors to trust that information. The starting point was to analyse the Agenda 2030 where the EU and the Member States have committed to the SDGs; the EU has been a driving force in agreeing the Agenda 2030. Another important issue raised by the ECA was the EU Directive on non-financial information, which requires certain listed organisation to report on the environmental, social and economic impact of their business.
- The ECA looked into how the European institutions report on sustainable development. It is important to note that reporting is just the end of a process. To do good reporting sustainability needs to be integrated into the strategy, with a sound risk assessment and a strong stakeholder engagement. ECA came to the conclusion that the Commission has no long-term strategy that covers the SDGs up to 2030.
- The EC has taken some steps forward; a reflection paper was presented earlier this year. The EC refers a lot to the Eurostat report which describes sustainable development in the EU but that is more of a general description of development in different member states and does not measure the contribution of the EU budget or policy to achieve the SDGs
- Only two European bodies have so far published sustainability reports. Other EU institutions and agencies publish incomplete information, focussed on the running of an organisation impacts on sustainability but not how sustainability has been integrated into strategy or policy.
- In order to have meaningful reporting, a strategy must be in place. Four challenges for sustainability reporting in EU institutions and agencies were identified: developing an EU strategy post-2020 that covers the SDGs and sustainability; integrating sustainability and SDGs into the EU budget and the performance framework; developing sustainability reporting in EU institutions and agencies; increasing the credibility of sustainability reporting through audit.

- Sustainability is a driving force for new technologies and vice versa. It creates new business models and changes the ways of how we do things. Sustainable practice can support thinking innovatively, with a long-term perspective. And digital transformation is not just about replacing man power with IT, but for devising new ways of working, new ways of thinking.
- But I also think the link between sustainability and digitalisation is also in the disruptive power of these two. When an organization is implementing a sustainability strategy it can and will bring a lot of change. Processes will be revaluated, structures will be dissolved and newly formed and the same thing happens when it comes to digitalisation and technology. It will urge us to change and that constantly. We will have to adapt and adapt faster.
- When it comes to radical innovation in the public sector, there is clearly a risk aversion and a fear of fiasco in the public sector. But we have to be aware that the public sector has to be more cautious, because the citizens don't want to see their government taking big risks.
- I think at the same time citizens are expecting to have the same connectivity like they have in other areas of live, for example with applications like Airbnb, YouTube and twitter. But this is not so easily feasible for the public sector. We want to give consistency, resistance and trust.
- We also have to note that the risk appetite in the public sector can be very closely linked to the mandate period. I think in the public sector it is not about revolution but it works much more reformist.

### **François-Xavier Borsi, KPMG**

- A number of actors are heavily disrupted by digitalisation. It is important to embrace this trend in order to remain competitive and sustainable. KPMG invests a lot to help its clients and society in designing and implementing their digital agenda. This is done by keeping users, clients, customers and citizens at the core of every decision (user-centricity).
- In this respect the user-centricity might be the main purpose of blockchain. Anyway it is a good example of disruptive innovation in which the public sector, in particular some governments, invest.
- Blockchain is a technology for sharing information that is transparent, secured, and runs without intervention of a central entity. It is a database that includes entire history of exchanges and transactions, carried out by its users since the creation of the blockchain. This database is fully secured and distributed – it is shared by all users without any intermediaries. All users can individually check the validity of the chain. A public blockchain is similar to a notebook which is anonymous and immutable – everyone can write in it and it is impossible to delete it. In Luxembourg, the Infrachain initiative launched in November 2016 illustrates the interest of Luxembourg's economic actors in this blockchain.
- A system of currency or electronic token is needed for blockchain because a transaction is taking place between an agent A and agent B. All the transactions between the two users are gathered into the same block. This block is validated by a number of nodes around it. Blockchain is the result of the links between all the blocks.
- Some of the advantages of blockchain include faster transaction processing and increasing trust between parties. Some of the challenges in Luxembourg and in Europe in developing blockchain applications are not technology-related. It is mainly about identifying the most appropriate use cases where blockchain can be applied (credible solutions) and how these use cases are expected to create value and sustainable growth.
- There are many fields where blockchain has potential to develop. KPMG foresees progressive adoption of use cases. The best way to adopt blockchain is by demonstrating substantial benefits.
- An innovative government may be expected to proactively prepare the field for new opportunities and new drivers for sustainable growth. KPMG is confident it will be able to accelerate adoption of blockchain in Luxembourg and in Europe because it already offers solutions and standards for security performance and governance. This type of initiative will make it easier to develop new blockchain applications.
- The Luxembourg Ministry of Digitalization is working on the setting up of a public blockchain which is expected to be one of the main drivers of the Luxembourg's Digital Strategy. Luxembourg could be seen in Europe as a ideal test-bed territory for this promising technology.

**Pirkko Lahdelma**, Director at the National Audit Office of Finland

- As regards the innovation landscape, Finland has favourable conditions for innovation: it is a small, highly educated nation. Public sector is not an exception although it is lagging behind. The Finnish government has been actively pushing for public sector innovation and experiments have been very visible and present in its recent programmes.
- Some results can already be seen but maturity regarding innovation varies a lot. Finding coherent policies for different sectors is a challenge.
- Finland has local governments that are quite autonomous, which presents challenges. More cooperation between different actors is needed.
- The National Audit Office of Finland is in a good position to promote innovation in public sector. Its recently launched strategy shows commitment to actively promote innovation in public sector. It is important to lead by example in order to promote innovation.
- Innovation doesn't always need to be a big nation-wide project; it can come in small units. The most important thing is to bring value to citizens.
- The National Audit Office of Finland aims to rethink strategy as a process. It is not only a long-term plan but also a mind-set and culture of the whole office, not just managers and directors. Investing in communication internally, as well as externally, is crucial.
- The strategy was not about digitalisation but rather practices and processes – innovation can be something else than technology. Nevertheless, the Office is also building capacity for digitalisation and it is not an easy task. In order to enable innovation, it is important to seek for the right problems, not the right solutions.
- The National Audit Office of Finland has launched the Young Professional programme which gave young people not just a traineeship, but also a project where the Office could practice new leadership styles. Leadership is a key element in innovation – leadership needs to be innovated first before implementing innovative solutions. It must be kept in mind that the digital world has many restrictions and limitations that cannot be anticipated before starting innovation implementation.

**Klaus-Heiner Lehne**, President of the ECA in his video message

- Innovating is a matter of survival. If we don't fully exploit possibilities of digitalisation, if we are unable to predict what challenges will hit the European Union in the upcoming years, and therefore what expertise we will need, then we risk sliding into irrelevance.
- Innovating also means embracing a certain degree of risk and not being afraid of failure. This is where the leadership of public organisations must set the tone from the top and carefully design the incentives.
- That is why the European Court of Auditors, in addition to having created entities dealing with foresight and digitalisation, is constantly putting itself into question. The ECA has two ongoing peer reviews: one on its ethical framework and one on its overall strategy.
- As the smallest EU institution, the ECA is well-placed as a laboratory to experiment with new ideas. For example, an intensive programme for new recruits, the ECAlab. Successful innovations made in one institution are not disseminated as much as they could be to others. This is the point where we could reflect on our different profession environments.

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