

Abstract

The Court reports to the Flemish Parliament on the outcome of the round table conference

Eager to promote a more efficient and more effective control of public funds, the Court organised a round table conference on 9 March 2006. This initiative has resulted in agreement notes among the various audit bodies of the Flemish authorities as well as in a “single audit” concept note containing lead principles to modernize the Flemish audit environment. There remain, however, a range of issues that stand in the way of closer cooperation between audit bodies and of a transparent reporting on the acquisition and use of public funds. In the autumn of 2009 the Court intends to take further initiatives.

Audit stakeholders within the Flemish authorities

Several stakeholders are involved in government audit and control, each of them has its own raison d'être and target-group to report to. This audit environment suffers drawbacks, such as work overlapping and insufficient information exchange. Eager to promote more efficient and more effective audits of the Flemish authorities, the Court organised a round table conference on 9th March 2006. Stakeholders involved in the audit of public funds (Government commissioners, company auditors, the Central Accounting Agency, the Inspection of Finance, the Internal Audit of the Flemish Administration) as well as audited entities (representatives of departments or agencies) had been invited.

Information exchange in the form of agreement notes

Audit stakeholders want to improve cooperation and information exchange in the form of agreement notes. The agreement notes between the Court and the Central Internal Audit of the Flemish Administration (IAVA) and between IAVA and decentralised audit services in the Flemish administration were concluded.

The agreement note regarding financial audit between the Court and the Institute of Company Auditors was in contradiction with the law provision of the professional secret. This issue should be settled by law or royal decree.

Implementation of a single audit

The round table conference has envisaged a single audit in a medium-term perspective. Under a single audit all stakeholders collaborate in full transparency and place maximum reliance on each other's audit outcome. A working group has taken stock of the various audit bodies task duties and has advised that the Flemish authorities would maintain centrally a permanent overview with detailed information on the institutions and the relevant audit bodies.

Later on, the Court drew up a single audit concept note. It contains seven principles or building blocks underlying the modernisation of the Flemish audit environment. Each principle has the same structure: a short statement, a comment and possible action points.

Development of internal audit

At the same time as the round table conference was organised the Flemish Government set up a working group responsible for fine-tuning internal audit guidelines (“Verfijning leidraad interne controle”), with which the Court also collaborated. This initiative resulted into a range of new instruments designed for organisation control and internal audit (guidelines, evaluation roster, website,...).

Limitations

The round table conference discussed not only the issue of professional secrecy but also a range of difficulties, such as the confidentiality of exchanged information, the role of the Government commissioners and the cooperation with the Finance Inspection. Moreover following the postponed enactment of the accounts decree no robust reference frame is in place to ensure the objectives of more financial transparency, more results accountability and a more efficient control.

Response

The Flemish minister of Finance and Budget explained that he would examine whether the lead principles contained in the single audit concept note could be implemented into the amended accounts decree. The audit committee of the Flemish authorities and the Collegiate of the senior officials of the Flemish Administration advocate an implementation of the concept note and the development of an action plan. The Court subscribes to this suggestion and will take an initiative in the autumn of 2009.