
The Belgian Court of Audit assessed Brussels Joint Community Commission's (Cocom) new accounting organisation

The Court assessed the operation and administrative organisation of the Cocom's services following the introduction of a new legal framework applicable to the budget, the accounting and the control processes. This assessment showed that the work already done and the ongoing implementation still require several additional measures. A series of legal provisions await implementation decrees, the accounting system still suffers from shortcomings and measures are needed to draw up a correct balance sheet, income statement and budget implementation account. Finally, the Court pointed out a backlog of Cocom's general accounts to be transmitted.

New legal framework

Since 1st January 2007, the Cocom has been subjected to the provisions of the organic ordinance of 21 November 2006 introducing a series of new obligations such as keeping general accounts with incorporation of a balance sheet and an income statement into the annual accounts from the year 2009 on in addition to the usual budgetary accounts. The Court has been mandated to certify these accounts starting from the year 2009. Considering the high significance of the reform, the Court drew up a first situation assessment of the new accounting organisation. The Court's audit focussed inter alia on identifying what initiatives were taken towards drawing up a comprehensive and reliable opening balance sheet, as this is essential to provide a correct 2009 balance sheet to the Court. The audit also verified whether the balance sheet rules and the recording and valuation rules were set and carried out.

Implementation measures

In its report the Court pointed out that a range of implementation decrees carrying out the legal provisions were still missing such as a definition of accounting modalities and internal control's organisation. With regard to the control activities, the Court also found that the commitment and validation officer's current control was limited and formal in nature and that the incompatibilities of functions of the principal accounting officer and the Cocom's accounting officer were not respected.

Opening balance sheet

The new mandatory general accounting has to provide detailed information on the Cocom's assets and liabilities. This assumes a correct opening balance sheet based upon an accurate and thorough inventory. As a matter of fact the now transmitted provisional balance sheet did not give a complete true and fair view of all assets, liabilities, rights, obligations and commitments.

Accounting management

The accounting software used both for the general and the budgetary accounting suffers from several shortcomings. There is no automatic connection between both types of accounting and the system does not

provide an automatic budget implementation account. Besides, the Court also noticed that staff costs were not properly recorded, that several operations were not entered into the appropriate accounts and that expenses were not always processed in the same way in the general and in the budgetary accounting.

Backlog

The Cocom faces a major backlog of general accounts to be sent. The Court urges that priority should be given to the transmission of the 2009 account. In a second phase, the huge backlog accumulated from previous years will have to be cleared. The latest account received by the Court and declared audited dates back to 1990.

Ministers' reactions

Following the Court's report, the Ministers for Budget and for Finance announced that an action plan would be submitted to the Court in the course of February 2011 and that it would meet all Court's remarks. So far the Court has not yet received this plan.
