



Court of Audit

Annual activity report 2014

[abridged version]



Brussels, September 2015



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ANNUAL
ACTIVITY
REPORT 2014

This abridged version of the annual activity report outlines the use of the resources allocated in 2014 to the Belgian Court of Audit to carry out its missions. The full annual activity report is available in Dutch and French.

1 Quantitative data

In 2014, the Court employed 512 staff members on average, of which about two-thirds are auditors and assistant auditors. The last third of the staff holds supporting functions. The Court's total expenditure amounted to € 47.9 million, of which 83 % (€ 39.8 million) was for remunerations.

The report also presents an overview of the audit results. In addition to financial audits related to the general accounts, the accounts of government bodies and departments as well as the accounts of accounting officers, the Court issued in 2013 45 budget analysis reports, 28 special reports, 50 articles in its Annual Comments and 17 opinions with regard to the budgetary impact of draft legislation for the parliaments and provincial councils.

In 2014, the Court carried out 5 analyses at the request of parliamentary assemblies. Nine members of Parliament made use of their individual right of access to documents and information on 21 occasions.

In 2014, the Court of Audit responded to 6 advice requests from the executive authorities.

2 Impact of the audits

In its annual activity report the Court also pays attention to the impact of its audits. It examines the way its publications are perceived and monitors the implementation of its recommendations. This allows the Court to increase the quality of the information provided to parliaments and at the same time to improve its means of action.

It can be mentioned in this respect that the Court's representatives attended 52 hearings of the different parliaments in 2014 to answer questions on budget review, Annual Comments and special reports.

3 International relations

In cooperation with the European Court of Auditors (ECA), the Belgian Court of Audit takes part in audits of the European Union expenditure, participates in the activities of the various organizations of Supreme Audit Institutions (SAIs) and welcomes foreign delegations.

3.1 European Court of Auditors

In 2014, the ECA carried out five audits in Belgium, in conjunction with the Belgian Court of Audit and as part of the so-called statement of assurance (“DAS - déclaration d’assurance”).

Next to the cooperation in auditing matters, a consultative structure provides the SAIs of the member states of the European Union with the opportunity to discuss topics of common interest with the ECA. Within this framework, meetings of the Contact Committee of SAI presidents met in October 2014 in Luxembourg. Liaison officers of the SAIs also convened in Copenhagen in April 2014 and in Luxembourg in October 2014.

The Court is also a member of the network dealing with the reporting by national SAIs on the financial management of European Union funds, of the working group on VAT, of the information network on the Common Agricultural Policy, of the information network Europe 2020 and of the information network on the budget policy.

3.2 Organizations of Supreme Audit Institutions

Intosai

As a member, the Court of Audit took part in the activities of the sub-committee on internal control standards of INTOSAI. Representatives of the Court attended a meeting of the sub-committee in Vilnius in May 2014.

Eurosai

A delegation of the Court, headed by the Senior President, attended the IX Congress of EUROSAI in The Hague in June 2014. The main theme of the congress was devoted to innovation by and in the Supreme Audit Institutions.

In the framework of the implementation of the EUROSAI Strategic Plan for 2011-2017, the Belgian Court of Audit is a member of Goal Team 2 (Professional Standards) and Goal Team 3 (Knowledge Sharing). On behalf of Goal Team 2, the Court leads the operational cooperation between EUROSAI and the European Confederation of Institutes of Internal Auditing (ECIIA) and attended the annual meeting of the co-operation committee (March 2014 in Madrid).

The Belgian Court of Audit took part as member in the regular activities of the EUROSAI Working Group on Information Technologies (IT) (with a plenary meeting in Potsdam in March 2014 and a sub-group meeting in Bern in January 2014) and the Working Group on Environmental Audit.

Aisccef

Since 1994 the Court has been treasurer of the Association of Supreme Audit Institutions that have in common the use of the French language (“Association des institutions supérieures de contrôle des finances publiques ayant en commun l’usage du français” – Aisccef).

3.3 Audit of international organizations or projects

A councillor of the Belgian Court of Audit chairs the OCCAr (Organisation for Joint Armament Cooperation) board of external auditors.

On the initiative of the European Commission, the Belgian Court of Audit participates in the technical assistance project for the SAI of Greece. It provided expertise regarding financial audit in 2014, in cooperation with the Netherlands Court of Audit and the European Court of Auditors. The project consisted of a training programme (3 workshops on risk analysis, management control and reporting). The Greek Court of Audit implemented six pilot projects in 2014 thanks to the expertise acquired earlier.

3.4 Foreign delegations

In 2014, the Court hosted 42 members of 5 foreign delegations as part of a visit or an information training with regard to the Court’s missions, organization and audit methods.

4 External representation

In September 2014, the Senior President and representatives of the Court were invited to take part to a seminar on independent audit organized by the Belgian Institute of Chartered Accountants.

In November 2014, representatives of the Court of Audit lectured at the seminar organized by the Information Centre for Chartered Accountants (ICCI), focusing on performance auditing and the non-profit sector.

Furthermore, staff members of the Court participated in study days organized by universities or educational institutions like the Antwerp Management School, the Tax Academy as well as by the Flemish Parliament.

In December 2014, a councillor attended a seminar on the possibilities of single audit.

Representatives of the Court of Audit also contributed to different publications in 2014 about public procurement, budgeting rules, and specific duties for revisers, among others.

5 Strategic plan 2015-2019

The Court of Audit draws up a five-year strategic plan that clarifies what needs to be done in order to implement the vision, missions and values laid down in its mission statement.

The first named “La Cour des comptes en mouvement/Het Rekenhof in beweging” (2004-2009) was intended to prepare the transition from a management of means to a management of products. To this end, the plan aimed to gather the various means at disposal, improve the internal procedures and redefine the audit methods.

The purpose of the second strategic plan “Consolider et motiver pour progresser/Consolideren en motiveren om vooruitgang te boeken” (2010-2014) was to influence positively and efficiently the way the public administrations are managed in Belgium.

The strategy for 2015-2019 entails the following two major objectives:

1. maximizing the impact of audits on the working of public authorities, on public spending policy and on control by the Parliament;
2. improving the organisation efficiency.

These objectives were set after assessing the previous strategic plans and analysing the institutional, administrative and societal context in which the Court of Audit will work in the coming years.

The objectives and actions of the strategic plan 2015-2019 can be visualized as follows:



First of all, the strategic plan 2015-2019 entails to take up the challenges that an ever faster changing audit environment sets for the Court. The worldwide financial and economic crisis has left deep marks and undermined the citizens' confidence in society. In such a context, the supreme audit institutions were conferred even more responsibilities in areas like sound management and increased monitoring of the use of public means. This was also a consequence of the more stringent European policy on public finances. The Court of Audit is part of this evolution and is keen on playing a significant role and meeting the increasing quality requirements for public sector audits. As a result, the Court intends to keep on following the path set in its previous strategic plans.

The Court has also been paying special attention to the consequences of the latest Belgian state reform. Not only entrusted the reform the Court with additional assignments, but

also the redistribution of public funds between the Federal State and the Communities and Regions has had an impact on the working and organization of the Court's departments.

The primary aim of the new strategic plan is to maximize the impact of audits, which derives from the objectives set in the previous plans. Major steps have already been taken in order to meet these objectives. For instance, the audit process has been further developed by improving risk analyses and selection. Audit practices have been standardized, especially thanks to the drafting of manuals and the systematic use of electronic work files. Also the European requirements on budgetary and financial control have been further integrated.

The new strategic plan puts forward three actions oriented on maximizing the impact of audits: they relate to the selection of audit themes, the reliability of audit methods and the visibility of results.

The first action focuses on an integrated approach of the thematic and financial audits selection that will cover topics relevant to society, outcomes of public policy, accountability for the use of public funds and expectations or concerns of Parliaments. This should contribute to the Court's recommendations being better implemented and serving as references for the parliamentary debate and policy-making.

Through the second action, the Court aims at guaranteeing the reliability of its audit methods. To this end, the certification of public administrations' accounts will be in accordance with the European standards. Besides, quality control and assurance will be more in line with the international standards on financial and performance audit. Finally, the cooperation with the other control stakeholders will go on so as to further implement the "single audit" concept. Sharing knowledge and exchanging information with other auditors and researchers must give the audits an added value and avoid unnecessary audit work.

The third action strives to increase the visibility of audit results through efficient communication and understandable ad hoc reports. The audited entities as well as the stakeholders need to be informed about the audit findings in a differentiated way so that the Court's recommendations can have the broadest possible impact. The Court will also nurture the dialogue with the academic world, develop its relations with the media and go on adapting its publications to the modern context of a digital society.

The strategic plan confirms at the same time that the actions can only be implemented provided that the Court and its departments work as efficiently and economically as possible. As a result, the internal organization as well as the human and IT resources need to be developed even more effectively during the next strategic period. This objective has become all the more important in view of the growing tension between the expanding missions which the Court is entrusted with and the budgetary means at disposal considering the global context of savings in the public sector.

6 Ten years of verification of the lists of offices and declarations of assets submitted to the Court

Since 1st January 2005, the holders of public offices and the senior civil service officers must submit a list of their offices, functions and occupations, and a declaration of assets to the Court of Audit. The Court then verifies the completeness of the lists of offices before having them published in mid-August of each year in the Belgian official gazette. The declaration of assets must be sent in a closed and sealed envelope. The Court is in charge of keeping these documents up to five years after termination of the last office. Then, the Court either returns all declarations of assets to the civil servants concerned or destroys these documents within the month in case the person is deceased.

Only an examining magistrate may look into the declarations of assets kept by the Court of Audit and this only in case of criminal proceedings.

All those obligations derive from the legislator's will to guarantee as much transparency as possible and to detect potential conflicts of interests.

A full version of this activity report in French or Dutch is available on the Court's internet site: www.courtofaudit.be.



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