

REPORT TO THE WALLOON PARLIAMENT

Missions delegated in 2017 and 2018 to the Walloon Financing and Guarantee Company for SMEs "Sowalfin": financing and accounting



The Belgian Court of Audit has examined how Sowalfin – the Walloon Financing and Guarantee Company for Small and Medium Enterprises – financed and registered in its accounts the missions it was entrusted with in 2017 and 2018.

Sowalfin fosters the creation, development and transfer of SMEs in the Walloon Region by providing adequate financing solutions. Fundamentally, Sowalfin's missions consist in granting loans and guarantees.

After completing its audit, the Court came to wonder about the reasons for not centralising the cash flow managed by Sowalfin with that of the Walloon Region and noticed the extent of the mathematical reserves intended to address losses in view of the outstanding guarantee commitments. Furthermore, the transactions related to the delegated missions are not adequately registered in the Walloon Region's accounts and the cash position, the acquired participations and the receivables in the name and on behalf of the Walloon Region are not valued in its asset accounts. Such practices are in breach of the public accounting provisions.

In conclusion, the Court recommends to reflect on the mechanisms intended to re-evaluate and add means to the mathematical reserves, keeping in mind the economic impact of the current health crisis that is to be expected. It also advises the Region to register in its accounts all transactions related to the missions delegated to Sowalfin, in accordance with the legal provisions in force.