

Annual activity report 2019

[abridged version]

ANNUAL
ACTIVITY
REPORT 2019

This abridged version of the annual activity report outlines the use of the resources allocated in 2019 to the Belgian Court of Audit to carry out its missions. The full annual activity report is available in Dutch and French at www.courttofaudit.be.

1 The Court of Audit in 2019

1.1 General Assembly

The Court of Audit is composed of a French and a Dutch chamber, which together form the General Assembly. Each chamber consists of a president, four councillors and a secretary general.

The Court in 2019

General Assembly			
Dutch Chamber		French Chamber	
President	Hilde François	Senior President	Philippe Roland
Councillors	Jan Debucquoy	Councillors	Michel de Fays
	Rudi Moens		Pierre Rion
	Vital Put		Franz Wascotte
	Walter Schroons		Florence Thys
Chief Secretary General	Jozef Van Ingelgem	Secretary General	Alain Bolly

The General Assembly is competent for matters concerning the Federal State, the Brussels Capital Region, the Joint Community Commission (Brussels-Capital Region), the German-speaking Community, the public bodies dependent on them, as well as for interpreting European and federal law.

The French Chamber has exclusive competence over matters concerning the French Community, the French Community Commission (Brussels-Capital Region), the Walloon Region, the public bodies dependent on them and the Walloon provinces.

The Dutch Chamber has exclusive competence over matters concerning the Flemish Community, the Flemish Region, the public bodies dependent on them and the Flemish provinces.

1.2 Staff

In 2019, the Court employed 493 staff members on average (437 statutory and 56 contract staff), most of which are auditors and assistant auditors. The remaining staff hold supporting functions, such as IT, translation, secretarial duties, personal data protection, etc.

The Court invested significantly in training (1,527 days in 2019), supported the creation of internal centres of expertise and encouraged the creation of permanent information exchange platforms, not to mention its commitment towards the quality management system ISO 9001 and the INTOSAI Framework of Professional Pronouncements (IFPP).

In 2019, the Court prepared the migration in 2020 of its staff and salary administration to the office in charge of all federal civil servants called PersoPoint. It also reviewed its working time management and remuneration policy (e.g. increase in homeworking).

1.3 Missions

In 2019, the Court issued 46 budget analysis reports, 20 audit reports on the general accounts, 29 special audit reports and 9 opinions with regard to the budgetary and financial impact of draft legislation for the federal and regional parliaments and provincial councils.

In addition to audits related to the legality and regularity of the revenue and expenditure of government bodies and departments, the Court audited or certified 318 accounts of public bodies, services or agencies, 17 accounts of state universities and verified the periodic reporting on 2,833 accounts of accounting officers.

As for thematic audits, the Court documented its findings and recommendations in 70 publications.

It carried out two audits at the request of parliamentary assemblies. Nine members of Parliament made use of their individual right of access to documents and information.

As of 2019, representatives and government officials have had to file their lists of mandates and declarations of assets digitally (through a new software called Regimand). Most of them fulfilled their obligations, except for 163 out of 8,902 (list of mandates) and 43 out of 2,993 (declaration of assets).

1.4 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. All reports are available on its website, either in French or in Dutch for most regional issues, and in both languages for the federal matters and Brussels regional issues.

Representatives of the Court attended 43 hearings in the different parliaments in 2019 to answer questions on its budget reviews, yearly reports and special reports.

2 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. It participates in the activities of organisations of Supreme Audit Institutions (SAIs) and welcomes foreign delegations.

2.1 European Court of Auditors

In 2019, the ECA carried out nine audits in Belgium, with the Belgian Court of Audit acting as an observer in eight audits. All audits related to the so-called *statement of assurance* ('DAS - déclaration d'assurance').

The audits focused on customs, a university, the European Agricultural Guarantee Fund, the European Maritime and Fisheries Fund, the Asylum, Migration and Integration Fund and the European Agricultural Fund for Rural Development.

The Belgian member of the ECA – Ms Annemie Turtelboom – invited a Court's delegation to visit the ECA on 17 October 2019. This was an opportunity to discuss different matters and exchange expertise and experience especially around three topics: the ECA's annual report, its reviews and the recent developments in data analysis within both Courts.



2.2 Contact Committee of the Supreme Audit Institutions of the European Union

The Belgian Court of Audit is a member of the Contact Committee, which provides the SAIs of the member states of the European Union with a consultative structure to discuss topics of common interest together with the ECA.

In this framework, representatives of the Court attended the meetings of the Contact Committee of SAI presidents (Warsaw, 27-28 June 2019) and of liaison officers (Bucharest, 9-10 April 2019).

A member of the Court took part in conferences on EU audit innovation (Bucharest, 7 May 2019) and the role of SAIs in ensuring the reliability of fiscal data (Helsinki, 28 November 2019). Another participated in a workshop on auditing security and defence policies of the Union (Luxemburg, 14-15 May 2019).

As for staff members, they play an active role within the networks on fiscal policy and on Europe 2020 and participate in the Anti-VAT Fraud Strategy Working Group and the Taskforce on European Public Sector Accounting Standards.

Several recent VAT cases from the European Commission were presented during the meeting of the VAT Working Group (Prague, 27-28 June 2019). Information was also shared on the latest developments related to VAT legislation and measures to combat VAT fraud.

Finally, recent developments in the field of financial reporting and accrual accounting were discussed at a seminar on financial reporting in the public sector within the EU (The Hague, 18 February 2019). An OECD representative also discussed the usefulness and effective use of financial information.

2.3 European Commission

As in 2018, a delegation from the European Commission visited the Court of Audit (24 October 2019) as part of its fact-finding mission concerning the European Semester, a cycle of economic and budgetary policy coordination within the European Union.

The visit provided the opportunity to informally exchange information on Belgian public finance and a number of specific issues. The Commission included these insights in its country report for Belgium on which the European Council's recommendations are based.

After its publication, the country report for Belgium was presented to the Court of Audit by a Commission delegation.

2.4 Training within the EU Context

Court's staff members participated in a workshop on Blockchain Technology organised by the European Commission and the ECA (Brussels, 17 May 2019). The Belgian Court of Audit, which is well aware of the importance of blockchain ledger technology, is involved as a user in one of the European Blockchain Services Infrastructure (EBSI) projects.

From 8 to 12 July 2019, the ECA and the University of Pisa organised the second edition of the Summer University in Public Auditing dedicated to new audit methods linked to digital transformation of the public sector. Staff members who attended could deepen their knowledge in visualisation techniques, mass data analysis, fraud detection and process mining. New audit methods have already been encouraged in the Court's latest audits and will be integrated into its 2020 training programme.

Members of the Court attended the conference on Big and Open Data for EU Supreme Audit Institutions organised by the ECA (Luxemburg, 27-28 November 2019), which focused on the use of open data and how to audit the quality of such data. The Court reported on the activities of its newly created working group DataLab, an internal platform allowing experts in data analysis to cooperate and consult with each other. At the end of the conference, DataLab and ECALab (its ECA's counterpart) used this opportunity to share knowledge and experience and agree on future cooperation.

2.5 Organisations of Supreme Audit Institutions

2.5.1 INTOSAI

A series of decisions were taken during the INTOSAI Congress hosted by the SAI of the Russian Federation (XXIII INCOSAI) (Moscow, 24-27 September 2019). The new INTOSAI Framework of Professional Pronouncements (IFPP) came into force as ‘the’ reference for external control by the SAIs. The Court confirmed its commitment to the IFPP.



Several other topics were discussed too, such as national strategic goals (including Sustainable Development Goals – SDGs) or the use of data in audits, resulting in the INTOSAI Moscow Declaration. The Court relied on this declaration as a basis for preparing its new strategic plan.

As an active member of the subcommittee on internal control standards, the Belgian Court of Audit and the Dutch SAI have led a project under Polish presidency in order to devise a new professional pronouncement regarding the use of internal auditors’ work by the SAI.

In 2019, the Court joined the INTOSAI Working Group on Big Data.

Court representatives took part in a data analysis workshop organised by the INTOSAI Development Initiative (IDI) (Malta, 6-8 May 2019), where special attention was paid to DataLab.

2.5.2 EUROSAI

Since 2017, the Court has been actively involved in the EUROSAI Strategic Plan 2017-2023. More particularly, it has been monitoring the state of progress of the implementation of the plan and reported on it in 2019.

The Court participated in working groups in charge of organising self-assessments of IT-functions and IT audits within the SAIs.

A Court member attended the annual meeting of the EUROSAI Working Group on Environmental Auditing, which was preceded by a conference on biodiversity (Luxemburg, 22-24 October 2019), where the Court presented its SDG preparedness review.

Two staff members took part in the fourth Young EUROSAI Conference (London, 4-7 November 2019) on the topic: “Ensuring Supreme Audit Institutions remain relevant in rapidly changing landscapes”.

Finally, Court members contributed to the seminar on Sharing Experience about Auditing for SDGs: A view from different Regions, jointly organised by EUROSAI and AFROSAI. During one of the workshops, the Court presented its SDG preparedness review.

2.5.3 AISSCUF

The Court's Senior President 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' – AISSCUF).

The Senior President attended a meeting of the executive body during the INTOSAI congress (XXIII INCOSAI).

2.6. Audit of International Organisations

A councillor of the Belgian Court of Audit has had a seat on the board of auditors of OCCAR (Organisation for Joint Armament Cooperation) for more than 10 years. The Court is one of the external auditors of the Airbus A400M programme.

The Court of Audit has been appointed as the external auditor of the international organisation *The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies* for the purpose of auditing the accounts 2019 to 2021.

3 Bilateral Relations

The fourth Joint Reflection Day between the Court of Audit and the SAI of the Netherlands was held in the Hague on 24 June 2019. It was devoted to the innovations in the study of policy results. The concepts of 'design thinking' – a non-linear, iterative process which strives to understand users, challenge assumptions, redefine problems and create innovative solutions to prototype and test – and 'added value of infographics' were also discussed.

A Court's delegation attended the French Evaluation Days hosted by the French Evaluation Society (SFE) in Bordeaux (13-14 June 2019) on the 'new territories of public action in terms of evaluation and democracy'. A member of the Court gave a presentation on public policy evaluation in Belgium and, more particularly, on the Court's role in this field.

4 External Representation

Court members and auditors maintain good relations with higher education institutions and are often requested to give presentations or lectures (Universities of Leuven, Louvain-la-Neuve, Antwerp, Ghent, and others).

They are also called upon as experts to contribute to training days, events and publications.

5 Feature article: The Court's 2020-2024 Strategy – Added value for society through high-quality audits

5.1 Context

In 2004, the Court of Audit formalised in a mission statement its two major purposes, i.e. to assist parliaments in their oversight mission and to contribute to improving public management. Since then, the Court has drawn up four five-year strategic plans – including the current one – to implement its mission statement. All plans took into account the evolutions of the context in which the institution operates (legislation, technological progress, etc.) and the stakeholders' expectations.

For the purpose of strategic planning, the Court adapted its internal organisation – departments and management bodies – to make it consistent with Belgium's institutional structure.

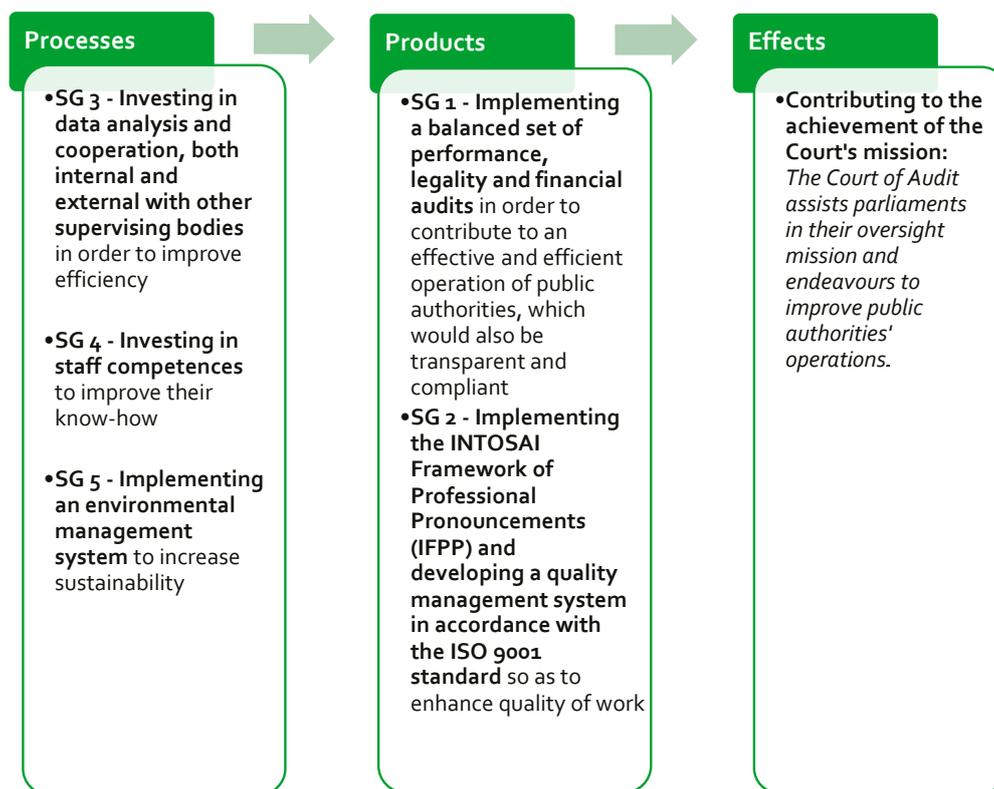
This structure is also mirrored in the strategic planning process: the overall Court strategy is translated into small-scale strategies at sector level. The Court is indeed subdivided into sector I (supporting services), sector II (operational services – federal State and sectors III F and III N (operational services – French- and Dutch-speaking regions and communities).

5.2 Methodology

A strategic committee was set up to develop the 2020-2024 strategy on the basis of a context and stakeholder analysis. Its aim was to map precisely by sector the most significant developments of the institution (audit methodology, staff, competences, culture, etc.), its external environment (institutional, economic, social, technological, professional standards, etc.) and the stakeholders (parliaments, public entities under scrutiny, other controllers, media, etc.). This allowed the Court to define a limited number of strategic goals and indicators for further follow-up.

5.3 Strategic choices for 2020-2024

The following diagram outlines the five strategic goals (SGs) in the form of a causal chain (processes -> products -> effects):



5.3.1 Products: Added value for society through high-quality audits (SGs 1 and 2)

The first goal pertains to all audit reports intended for the different parliaments. In its audit planning, the Court gives priority to topics of relevant social interest. As recommended by INTOSAI, the global sustainable development goals should provide a reference point at a smaller scale. As regards financial audits, the Court continues to prepare for the certification it will have to carry out as of the 2020 accounts of the Federal State, the Flemish authorities, the Walloon Region and the French Community. For both financial and performance audits, the Court must be able to rely on high-quality (electronic) data from the public entities. The Court, which needs guarantees in this respect, will make the necessary means available to assess the quality of the electronic data and the control of IT risks within the audited entities.

The second goal relates to the quality of the audit reports. In order to ensure that quality, the Court has long been applying the INTOSAI international auditing standards and, since 2019, the INTOSAI Framework of Professional Pronouncements (IFPP). Applying quality standards does not come naturally. A quality management system is therefore needed to guide and monitor the effective implementation of the standards. For this purpose, the Court has chosen to obtain the ISO 9001 external certification, an internationally recognised reference framework compatible with the IFPP standards.

5.3.2 Processes: efficiency, learning and sustainability (SGs 3, 4 and 5)

The number of missions and entities to be audited increased significantly between 2015 and 2019. In order to ensure the most efficient use of its limited resources, the Court of Audit will (SG 3):

- continue to invest in data collection, extraction, structuring, analysis and visualisation as audit techniques;
- strengthen cooperation between departments, improving internal communication and horizontal functioning;
- develop cooperation with other control bodies, such as internal control departments and company auditors.

The Court of Audit is a knowledge-intensive organisation. Therefore, it is determined to invest heavily in developing its staff skills. In practice, the Court will strive to (SG 4):

- improve the adequacy between the staff composition and the skills needed by the institution;
- promote a 'listening' leadership style;
- ensure sound knowledge management;
- pursue a proactive training policy;
- pay attention to the staff well-being;
- maintain attractive conditions.

Finally, the Court will establish an environmental management system and increase its internal operation focus on sustainability (SG 5). In this respect, it will investigate the possibility to obtain a sustainability label.

5.4 Implementation

The strategic committee has been entrusted with the task of guiding and monitoring the strategy implementation and of reporting annually to the General Assembly. As was the case for the previous strategic plans, unexpected events may happen in the course of five years requiring adjustments to the initial strategy.

For instance, the coronavirus crisis compelled the Court to reorganise its way of functioning both rapidly and profoundly. In order to safeguard its staff while guaranteeing the continuity of its operations, the Court introduced a global homeworking system that lasted for months. In doing so, the Court developed new conceptions in terms of organisation, hierarchical relationships and decision-making. It intends to make use in the future of the lessons learned from the crisis.

A full version of this activity report in French or Dutch is available on www.courtofaudit.be.



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