

**Reports requested by the federal Parliament:
Compliance with management contracts and use of public funds by the Belgian national
railways holding company, Infrabel and the Belgian national railways**

The Belgian Court of Audit forwarded two reports to the president of the House of Representatives on the Belgian national railways (SNCB/NMBS), Infrabel and the Belgian national railways holding company.

Both reports, as well as separate executive summaries, are available on the front page of the website of the Belgian Court.

The first report is devoted to the compliance by the Belgian national railways, Infrabel and the Belgian national railways holding company with the 2005-2007 management contracts concluded with Government.

In this report, the Court analysed the management reports of companies belonging to the Belgian national railways group viewed as instruments of public policy and checked the follow-up of their implementation.

Afterwards, the Court assessed to what extent management contracts were complied with by examining the minimal offer of train services, service quality, train punctuality, car park objectives and disabled persons access. For each topic it pointed out whether objectives were attained and whether the perception of their implementation was supported by relevant indicators and checked data.

Chapter 8 of the report summarizes the audit conclusions.

The second report focuses on the use of public funds allocated to the three companies belonging to the Belgian national railways group. The Court examined whether these public funds were allotted to the objectives assigned by verifying whether the accounting system used to book capital expenditure is adequate in terms of accuracy, exhaustiveness and use according to the funding source and whether obligations laid down in management contracts were abided by as far as the intended purpose of the various appropriations is concerned.

In addition, the report also examines whether the accounting system allows for an adequate distinction between costs and revenue associated either with public service or with commercial activities and whether it provides for a separation of financial flows associated with public service, so as to prevent a shift of public funds to commercial sectors.

The implementation and the funding of capital expenditure are dealt with in chapter 1. The funding of two special investment projects, namely the regional express railway (RER) and the high speed link are examined in chapters 2 and 3. The complex domain of financial flows seen under the angle of incoming and outgoing financial resources and breakdown of these flows between the public sector and the commercial sector is looked into in a general way (chapter 4) and then for each company (chapters 5-6-7). Chapter 8 compiles the general conclusions and recommendations. Chapter 9 provides a summarized explanation of the reply to the question asked in the House of Representatives.

Both reports also contain the replies received during the completion of the contradictory procedure with the minister for Public Companies, the executive director of each of the three entities concerned as well as the head of the managing board of government department Mobility and Transport.