



Court of Audit



Annual activity report 2021 [abridged version]



Brussels, June 2022



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ANNUAL ACTIVITY REPORT 2021

This abridged version of the annual activity report outlines the use of the resources allocated in 2021 to the Belgian Court of Audit to carry out its missions. The full annual activity report is available in French and Dutch at www.courtofaudit.be.

1 The Court of Audit in 2021

1.1 The Court

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

The Court in 2021

General Assembly			
Dutch-speaking Chamber		French-speaking Chamber	
President	Hilde François	Senior President	Philippe Roland
Councillors	Jan Debucquoy	Councillors	Pierre Rion
	Rudi Moens		Florence Thys
	Vital Put		Dominique Guide
	Walter Schroons		Olivier Hubert
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-speaking 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-speaking Chamber has exclusive competence over matters concerning the Flemish Community, the Flemish Region, the public bodies dependent on them and the Flemish provinces.

Both Chambers and the General Assembly meet weekly in camera and may also hold extraordinary meetings. The Court held 203 meetings in 2021: 83 for the General Assembly (58 online), 58 for the French-speaking Chamber (52 online) and 62 for the Dutch-speaking Chamber (54 online).

1.2 Organisation and strategic goals

The Court has a potential professional staff of 616 posts, equally divided between French- and Dutch-speaking staff.

In 2021, the Court actually employed 490 staff members on average (434 career civil servants and 56 contract staff), most of which are auditors and assistant auditors. The remaining staff holds supporting functions, such as IT, translation, secretarial duties, personal data protection, etc. Seventeen new staff members joined the institution and 23 left; 36 departures are expected by 2024.

The Court provided 1,056 training days for its staff and granted 77 days off as a facilitation measure for additional education.

In 2021, the Data Protection Officer (DPO) issued 38 opinions on audits, including 11 formal opinions as required by internal regulations. The DPO helps the audit teams to comply with the requirements for accessing and processing personal data. He was called upon 5 times during audits. The DPO also addressed various topics such as data sharing vs. data protection and was involved in the email migration to the common cloud for public institutions or services and in the risk analysis of using Microsoft Teams at work, etc.

The DPO convened the security committee 4 times in 2021 to prepare the security measures and processes for the information system.

In 2021, the Court achieved each goal of its 2020-2024 strategic plan.

The structure developed for cross-cutting audits (SG₁) has already enabled the conduct of two audits:

- on the sustainable development goals (2020); and
- on the support measures for businesses and individuals during coronavirus (COVID-19) (2021).

The INTOSAI Framework of Professional Pronouncements (IFPP) and, more particularly, the FA standards have been further integrated into the Court's financial audits and the certification process of the accounts of the public bodies under its scrutiny (SG₂). The Court has carried out an analysis to verify whether the performance audits comply with the 300/3000 audit standard and has been working on similar actions to ascertain whether compliance audits meet the 400/4000 audit standard.

The Court continued to focus on data analysis in 2021 (SG₃), making additional investments in both hardware and software for analysing files of data. DATA Lab, the centre of expertise that brings together all specialists with knowledge in data analysis, continued to develop in 2021 and publications in this matter took a new turn by integrating infographics. The Court even put online an *interactive inventory of figures* on the economic supporting measures for businesses and individuals during coronavirus (COVID-19). At the same time, the Court has been maintaining contacts with data analysts from other countries.

As for SG₄ (investing in staff competences), the Court has defined a new horizontal competency profile for auditors, which will be completed in 2022 with three vertical profiles (financial, thematic and performance). A gap analysis will then determine future training needs. Besides,

as teleworking and videoconferencing have become a strong reality, a training path has been initiated in order to help both staff and managerial personnel to work most effectively in this context.

The Court endeavours to develop an environmental management system to increase its sustainability (SG5). The second lockdown and the issue of the building's suitability for the New Way of Working have had a considerable impact on the progress of the project. The focus shifted to quick wins such as improving waste separation, rearranging a room to shelter bicycles, insulating parts of the building, etc. Regulatory obligations also had to be met (environmental permit, local action plan for energy management).

1.3 Audits and assignments

In 2021, the Court issued 43 budget analysis reports, 23 audit reports on general accounts, 37 special audit reports and 21 opinions regarding the budgetary and financial impact of draft legislation. Those reports were intended for the federal or regional parliaments and for 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 191 accounts of public bodies, services or agencies and verified 2,191 accounts of accounting officers.

As for thematic audits, the Court documented its findings and recommendations in 57 reports, 20 of which were included in its annual Reports on financial accounts.

Besides, the Court has been entrusted with specific assignments such as verifying how school students counting is organised within the French and Dutch Communities, calculating the distribution key for doctors and dentists between the French and Dutch Communities, issuing opinions, for instance, on the regions' fiscal autonomy regarding personal income tax, etc.

As of 2019, political representatives and government officials have had to file their lists of mandates and declarations of assets digitally (using a software called *Regimand*). It appeared in the latest publication related to this matter that 9,477 lists of mandates and 638 declarations of assets were filed in 2021, while 53 persons neglected to file a list of mandates and 7 persons a declaration of assets.

In 2021, the Senior President took part in the activities of the Commission supervising the Carnegie Hero Fund. In June 2021, both presidents of the Court submitted to the Speaker of the Chamber of Representatives the audit report on the use of the sovereign grant of certain members of the Royal Family in 2020.

The French- and the Dutch-speaking Chambers both delivered two judgments in 2021 as part of their jurisdictional mission. At the federal level, the Court issued two summonses to public accountants for whom judgments are expected in 2022.

The Court carries out its audits on its own initiative or at the request of parliaments or parliamentarians who wish to exercise their individual rights of access to documents and information. In 2021, the Court responded to 10 such requests.

Although the Court primarily works for the legislative branch, it may occasionally consider requests for opinions from the executive to be admissible as to substance. The Court responded to 3 such requests in 2021.

1.4 Consequences of COVID-19

Since the beginning of the COVID-crisis, teleworking has become the standard for most of the staff and the digitalisation of procedures has made giant steps.

In 2021, the Court worked on a reform of its global work organisation called NWoW (New Way of Working) in order to learn from the health crisis. The new organisation would allow most of the Court's staff to organise their work with practically no constraints of location or time.

As for the staff who could not telework, the Court rethought the tasks they previously performed and devised a training scheme enabling them to fulfil their new duties.

1.5 Audit impact

The Court publishes the results of its audits. Before doing so, it sends its reports to the administration concerned and the minister(s) in charge for adversarial debate so that it can clarify its own point of view and hear the views of the other parties. This contributes directly to a better acceptance of the audit findings and conclusions.

Subsequently, the Court examines how its publications are perceived and monitors the implementation of its recommendations, with a view to increasing the quality of the information provided to parliaments and improving 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.

The Court's representatives attended 64 hearings in the different parliaments in 2021 to answer questions on the budget reviews, the Reports on financial accounts and special reports.

2 ISO 9001:2015 certification of the Court's quality management system (QMS)

The Court has established a quality management system (QMS), i.e. a set of structures, responsibilities, procedures and regulations to implement its quality policy.

The purpose of the QMS is twofold: it helps ensure high quality and shows that every effort has been made to achieve this, thereby increasing overall confidence in the Court's work.

The QMS is made up of three elements forming a cycle: quality standards, quality control and quality assurance.

The INTOSAI framework for professional pronouncements (IFPP) applies to audits while specific standards have been developed for non-audit tasks and supporting processes.

The Court strives to ensure its staff's expertise as from the recruitment and subsequently through training. It has also defined quality control measures in various formal documents and made cognitive and IT tools available to support quality control.

Based on several internal audits and an external certification audit, quality assurance ensures that the QMS functions properly and helps identify possible areas of improvement.

In this context, the Court decided to pursue ISO 9001:2015 certification for its QMS. The system became ISO compliant in 2021 and the Court got certified on 6 April 2022 for a time period of 3 years with an annual reassessment.

Conformity of the QMS to the ISO 9001:2015 standard allows the Court to:

- consistently provide products and services that meet the customers' requirements and applicable laws and regulations;
- improve customer satisfaction;
- control the risks and opportunities associated with the organisation's context and objectives;
- demonstrate compliance with the specified requirements for a QMS.

The ISO 9001:2015 standard is based on an approach of continuous improvement of the certified processes in order to increase customer satisfaction. Such approach is reflected in a Plan-Do-Check-Act (PDCA) cycle applicable to all individual processes and the QMS. Customers and their expectations must be identified, and the processes used to produce the delivered products described and optimised. The risk and opportunities must then be assessed, and actions taken to address/exploit them.

The Court has decided to submit to ISO certification first the activities leading directly to the core products, i.e. the publication of the results of analyses and audits, except for those related

to the provinces. This therefore involves the business processes (the Court's actual output), the supporting processes (which provide the necessary resources) and the management processes (which supervise the business and supporting processes).

In 2021, the Court saw to it that its QMS fully complied with the provisions of the ISO 9001:2015 standard. In order to achieve this, it has:

- completed internal quality audits;
- taken the necessary actions to remedy the detected shortcomings;
- adopted a quality manual;
- set up a documented information management system matching ISO requirements; and
- carried out a management review according to the ISO standard.

The Court has organised throughout the process training and information sessions on the vision of quality and the QMS, as a way to ensure staff dedication to the search for ever higher quality.

3 School students counting: 20 years of verification

The Court has been assigned the tasks of ensuring the implementation of the special law on financing the federated entities and of making sure that the right means are allocated to these entities in accordance with the provisions of the law.

The resources transferred by the federal government to the communities are divided into three main categories, i.e. allocated revenue from personal income tax, allocated revenue from VAT and revenue from allocations in the general expenditure budget.

The resources are distributed based on macroeconomic and demographic parameters such as the population under 18 established on 30 June of the previous year within the different communities. Secondly, the number of pupils and students aged 6 to 17 regularly enrolled in the education networks of the French and Flemish Communities will determine the distribution between these two communities. Other parameters apply to the German-speaking Community.

The Court's role is to determine the number of pupils and students regularly enrolled in the networks of the French and Flemish Communities. After that, this parameter is communicated to the bodies responsible for distributing the revenue from VAT between both communities. In order to carry out its mission properly, the Court must ensure that the files provided by the communities are in accordance with the law of 23 May 2000. Prior to this law, the distribution key between the two communities was fixed. This is no longer the case. The Court has therefore been verifying the counting of pupils and students since 2000. The method has remained unchanged ever since except for some minor adjustments.

The Court executes its verifications in two stages. Firstly, it checks whether the submitted files are compliant with its instructions to the communities and secondly, it seeks to determine whether the files are accurate and meet the criteria set by law. The checks on data accuracy are based on a random sample.

Any difficulties encountered are further investigated by contacting the education administration. If the administration is unable to clarify the inaccuracies, the Court performs checks in the schools involved.

This always results in an adjustment, usually downwards, of the number of pupils and students reported by the communities.

The amount of VAT to be distributed between the two communities is in the range of 16 to 17 billion euro. To put it in other words, a difference of one single pupil or student corresponds to approximately 11,000 euro up or downwards.

4 International relations

4.1 European Court of Auditors

In 2021, the European Court of Auditors (ECA) started an audit in Belgium on the European Agricultural Guarantee Fund (EAGF) with a view to the statement of assurance (DAS). A staff member of the Belgian Court of Audit attended as an observer.

The ECA also put in three requests for information on:

- the use of big data for monitoring and evaluating the CAP;
- the European measures protecting agricultural land and managing manure; and
- the conflicts of interest in shared management.

4.2 Contact Committee of the Supreme Audit Institutions (SAIs) of the European Union

The Belgian Court of Audit is a member of the Contact Committee of the Presidents of the SAIs of the European Union and the ECA. Decisions are prepared and implemented by liaison officers, working groups, networks and taskforces.

Due to the coronavirus pandemic, the Contact Committee met online on 10 November 2021 to discuss two topics: *The lessons learned from the pandemic, new approaches, and emerging issues* and *Impact and consequences of COVID-19 on the EU and Member States: Auditing NextGenerationEU – the ECA strategy*. The liaison officers also met online on 22 September 2021.

Besides, the SAIs of Belgium and Germany have created jointly with the ECA a new informal consultation platform to regularly exchange information and ideas on the audit of the *Recovery and Resilience Facility (RRF)* of the European Union and on the national recovery and resilience plans. All SAIs of the European Union can participate. A staff member of the Court gave an online presentation on the audit approach of the Flemish government's recovery plan (15 December 2021).

4.3 Organisation of Supreme Audit Institutions

4.3.1 INTOSAI

INTOSAI is a global organisation that sets the international auditing standards for the Supreme Audit Institutions.

A delegation from the Belgian Court of Audit, including the President, participated online in the 25th UN/INTOSAI Symposium (28-30 June 2021) around the topic *Working during and after the pandemic: building on the experience of Supreme Audit Institutions (SAIs) for strengthening effective institutions and achieving sustainable societies*.

The Court has also been a member of the *Working group on big data* since 2020, which held its annual meeting on 29 September 2021 online due to the pandemic.

4.3.2 EUROSAI

EUROSAI is the pan-European organisation of SAIs and one of the seven regional organisations of INTOSAI.

The Belgian Court of Audit contributed to the implementation of the EUROSAI 2017-2023 strategic plan. The triennial EUROSAI congress could not take place in 2020 due to the pandemic. The first part of the congress, mandatory and of an administrative nature, took place virtually on 14 April 2021. The second, technical part took place in Prague in May 2022.

The Court was involved in several subprojects during the first year of operation of the *EUROSAI Project Group on Auditing the Response to the COVID-19 global pandemic*. It was responsible for providing and updating a bibliography of scientific publications on the approach to the health crisis. On this occasion, the Court presented its cross-cutting audit on the support measures for businesses and individuals during coronavirus (COVID-19).

The EUROSAI Project Group assessed its functioning and organisation in the last quarter of 2021. As a result, it simplified its structure and updated its basic orientations. Against such background and in view of all the useful information exchanged during the first year of operation, the Court extended its membership of the EUROSAI Project Group.

The *EUROSAI Working Group on Environmental Auditing* organised an online spring session on waste management (26-27 April 2021). Staff members of the Court presented the audits on the Flemish measures to tackle food loss and waste, and on E-waste management in Flanders related to the used electrical and electronic equipment. In addition to audit presentations by the SAIs, the participants had the opportunity to hear the views of the European Commission and the Polish stakeholders on the subject.

A staff member of the Court attended the annual meeting of the same working group devoted to green transition, which was also held online (on 19-20 October 2021).

The *EUROSAI IT Working Group* held a conference (partly online on 9-10 November 2021) entitled *Brace for impact – SAIs pinpointing cyber-risks*. Three staff members of the Court participated. The Court also published an article on experiences with the practical implementation of the online dashboard that allows interactive viewing of data on the supporting measures granted in Belgium during COVID-19.

4.3.3 AISSCUF

The Court's Senior President has been the treasurer of the Association of Supreme Audit Institutions that have the use of the French language in common (AISSCUF) and, in this capacity, is also a member of the organisation's executive body.

4.4 External audit of International Organisations

4.4.1 OCCAR

OCCAR, the *Organisation for Joint Armament Cooperation*, is a European intergovernmental organisation that facilitates the joint management of fourteen major armament programmes.

The Belgian Court of Audit is a member of the board of statutory auditors of OCCAR in charge of the external audit of OCCAR's annual accounts.

A member of the Court and several staff members, together with French, German and Spanish auditors, audited the 2020 accounts of the A400M programme (Florence, 89 November 2021).

4.4.2 Wassenaar Arrangement

The Court audited the 2020 accounts of the international organisation *The Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies* and presented the results in Vienna on 5 October 2021.

In December 2021, the auditing mandate of the Belgian Court of Audit was officially extended until 2024.

5 Bilateral/multilateral relations

Ms Annemie Turtelboom, Belgian member of the ECA, visited the Belgian Court of Audit on 13 September 2021 as part of the annual meetings between representatives of both institutions, which have taken place since 2018. Presentations were given and discussed on the following topics:

- the impact of the pandemic and the *Recovery and Resilience Facility* of the European Union (RRF, NextGenerationEU) on the SAIs' operation and on the selection of audit topics;
- data analysis in auditing;
- DATA Lab's role within the Court and its cooperation with ECALab;
- the strategic plans of the Belgian Court of Audit (2020-2024) and of the ECA (2021-2025) and their implementation;
- the developments in performance auditing at the Court; and
- the ECA's 2019 annual report.

The Court is now part of the informal *European Transport Audit Expert Network*, which comprises the ECA and about ten European SAIs. In 2021, this network focused on:

- intermodal transportation;
- infrastructure investments in seaports;
- building cross-border rail links;
- acquiring land for mobility projects; and
- safeguarding passengers' rights during the COVID-19 pandemic.

A staff member of the Court attended the online conference on *Evaluation in an uncertain world: complexity, legitimacy and ethics* organised by the *European Evaluation Society* (ESS, 8-10 September 2021). Participants exchanged experiences on evaluation in general, including key concepts and evaluators' ethics, and on evaluation methods that are tailor-made for specific contexts.

6 External activities

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

They are also called upon as experts in order to contribute to training days or webinars and written publications.

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



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