

## PRESS RELEASE

26 January 2018

### Report to the Walloon Parliament

#### *Guarantees granted by the Walloon Region*



**If executed, the guarantees granted by the Walloon Region may impact its future financial situation. The Court's audit seeks to determine whether the Region is able to keep these conditional commitments under control and follow them up properly, register them into its accounts and report on them thoroughly to the European authorities. The Court thus complements the risk and uncertainty analysis it has carried out while mapping the Walloon Region's public finances as requested by the Walloon Parliament in its resolution of 6 September 2017.**

The Court notices that, while voting the budgetary decrees, the Walloon Parliament also adopts authorisations to grant guarantees that lack comprehensiveness, transparency, evaluation and updating. The administrative department does not have all necessary information in order to list and follow up these guarantees. As a result, it cannot ensure that the authorisations are not exceeded, nor verify the quality of the information given during the reporting process.

Besides, the information on regional guarantees conveyed to the Walloon Parliament does not include the collaterals granted under delegated missions in the economic sector, nor certain sureties by the Regional Centre of Aid to Municipalities (*Centre régional d'aide aux communes*) or the Walloon Society for alternative financing (*Société wallonne pour la gestion d'un financement alternatif*).

Furthermore, the administrative department does not follow up the guarantees granted by the institutions that are part of the regional consolidation perimeter under specific legal or organic provisions. It does not have any information either on existing arrears and litigations. The Court therefore recommends to add a thorough inventory of these guarantees to the general brief on the budget.

The Court also reminds the Walloon Region that, as of the enforcement of the decree provisions requiring the use of general accounting, it will have to record all its assets, rights, debts, obligations and liabilities of any kind. Consequently, the information on the guarantees granted will have to appear off-balance and the risks that these guarantees would be activated should be assessed and registered in the contingency account.

The Court also recommends that the inventory and follow-up tool applied to the direct debt be extended to all indirect debts and guarantees of the Walloon Region.

Finally, according to the European System of Accounts, the Walloon Region have had to communicate, since 2014, relevant information on the conditional commitments that may seriously impact its budget at the National Accounts Institute. As the Court points out, this kind of information is not drawn from the Region's public accounts system and is not verified on its accuracy and comprehensiveness.

***Minister's answer***

The minister in charge of Budget, Finance, Energy, Climate and Airports emphasises that the Court's findings and recommendations will be followed up by the financing department.

**Information for the press**

*The Court of Audit exerts an external control on the financial operations of the Federal State, the Communities, the Regions and the provinces. It contributes to improving public governance by transmitting to the parliamentary assemblies, to the managers and to the audited services any useful and reliable information resulting from a contradictory examination. As a collateral body of the Parliament, the Court performs its missions independently of the authorities it controls.*

Both the audit report on the Guarantees granted by the Walloon Region - only digital release - and the press release can both be found in French only on the Court's homepage: [www.courtfaudit.be](http://www.courtfaudit.be).