



Court of Audit



Annual activity report 2020

[abridged version]

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ANNUAL
ACTIVITY
REPORT 2020

This abridged version of the annual activity report outlines the use of the resources allocated in 2020 to the Court of Audit of Belgium to carry out its missions. The full annual activity report is available in French and Dutch at www.courtfaudit.be.

1 The Court of Audit in 2020

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 2020

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.

1.2 Organisation

In 2020, the Court employed 491 staff members on average (435 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. 34 new staff members joined the institution and 29 left; 30 new departures are expected by 2023.

Despite the health crisis, the Court has continued to invest significantly in trainings in, among other topics, public accounts certification or specific audit techniques, accounting for 1,046 training days in 2020 and the training of 31 new staff members. It organised a regular

information exchange platform called “info@lunch” and exchanged best practices for auditing, not to mention its commitment towards the implementation of the quality management system ISO 9001 and the INTOSAI Framework of Professional Pronouncements (IFPP).

In 2020, the Court fully implemented the migration 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 teleworking).

In 2020, the Data Protection Officer (DPO) issued 37 opinions on audits and specific issues (disclosure of private data in a COVID-19 context; use of the internet, e-mail and social media and related monitoring, etc.), including 19 formal opinions as required by internal regulations. The DPO helps the audit teams to comply with the requirements for accessing and processing personal data.

Following the new quality management system implemented in 2019, the Quality Cell has been given a central role. In 2020, the Court has continued to work towards ISO 9001 certification. It has therefore examined its current operation in the light of ISO 9001 and identified the procedures, risks and opportunities of several services in order to carry out a baseline measurement and draw up improvement projects.

1.3 Audits and assignments

In 2020, the Court issued 44 budget analysis reports, 21 audit reports on general accounts, 24 special audit reports and 53 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 249 accounts of public bodies, services or agencies, 10 accounts of universities and verified 1,578 accounts of accounting officers.

As for thematic audits, the Court documented its findings and recommendations in 64 reports, including 40 articles in its annual Reports on financial accounts.

It carried out three audits at the request of parliamentary assemblies and reported on a variety of topics. Nine members of Parliament made use of their individual right of access to documents and information. The Court also responded exceptionally to a request for an opinion from the Walloon Energy Commission.

As of 2019, political representatives and government officials have had to file their lists of mandates and declarations of assets digitally (through a software called *Regimand*). It appeared that 10,918 lists of mandates and 4,789 declarations of assets were filed in 2020, whereas 55 persons failed to file a list of mandates and 45 persons a declaration of assets.

In 2020, the Chamber of Representatives asked the Court to create a direct link between the parliamentarians’ lists of mandates as registered in *Regimand* and published on the Court’s website and their curriculum on the website of the Chamber of Representatives.

A new Act of 4 May 2020 amending legislative provisions on the transparency of agreements on reimbursable pharmaceutical products has given the Court access to confidential agreements relevant to its verifications. In addition, such confidential information does not fall within the scope of the parliamentarians' individual right of access to documents and information.

1.4 Consequences of COVID-19

The Court of Audit has adapted its way of working due to the health crisis. Based on values such as autonomy, flexibility, trust and accountability, teleworking has become the standard for most of its staff and the digitalisation of procedures has made giant steps.

In addition, for those who cannot telework, the Court has taken a series of measures to ensure their safety within the building (physical distancing, the use of masks, etc.).

1.5 Impact of audits

In its annual activity report the Court also pays attention to the impact of its audits. It examines how 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.

It can be mentioned in this respect that the Court's representatives attended 50 hearings in the different parliaments in 2020 to answer questions on its budget reviews, Reports on financial accounts and special reports.

2 International relations

In cooperation with the European Court of Auditors (ECA), the 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, in normal circumstances, welcomes foreign delegations.

2.1 European Court of Auditors

In 2020, the ECA carried out nine audits in Belgium, with the Court of Audit acting as an observer in five audits. Seven were related to the so-called statement of assurance ('DAS - *déclaration d'assurance*'). These audits focused on the European Regional Development Fund (ERDF), the sustainable use of water in agriculture and cross-border cooperation.

In addition, two performance audits were initiated on the relevance of forestry to biodiversity conservation and the fight against climate change, and on climate change and agriculture.

Finally, two requests for information were sent to the Court of Audit: one as part of a study on EU Cohesion Fund support for energy efficiency in enterprises and another as part of a review of the EU contribution to public health measures in response to the COVID-19 crisis.

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

The 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.

Due to the coronavirus pandemic, the Contact Committee did not meet in 2020. In the meantime, the liaison officers exchanged information by e-mail.

Staff members played an active role within the network on the Europe 2020 Strategy audit and participated in the Taskforce on European Public Sector Accounting Standards.

The Europe 2020 Strategy was the EU's masterplan for smart, sustainable and inclusive growth over the period 2010-2020. To achieve this, the European Union adopted targets in five areas: employment, research and development, climate change and energy, education and the fight against poverty and social exclusion.

The Europe 2020 Strategy Audit Network delivered a closing summary report giving an overall picture of the audits carried out by 13 EU Member States SAIs and the ECA. Between 2010 and 2018, the Court of Audit itself conducted 13 audits on the five targets of the Europe 2020 strategy.

The Taskforce on European Public Sector Accounting Standards organised a third seminar on public sector financial reporting within the European Union (Vienna, 20 February 2020), which a representative of the Court attended.

2.3 European Commission

After the fact-finding mission of October 2019 concerning the European Semester – a cycle of economic and budgetary policy coordination within the European Union – the European Commission commented on the 2020 country report for Belgium and provided feedback on the mission in an online meeting on 4 June 2020 with members and staff of the Court.

2.4 Organisations of Supreme Audit Institutions

2.4.1 INTOSAI

The new INTOSAI Framework of Professional Pronouncements (IFPP) came into force in 2019 as 'the' reference for external audit by the SAIs. The Court confirmed its commitment to the IFPP.

The Court has been an active member of the Sub-Committee on Internal Control Standards for many years. In this context, representatives of the Court have been leading a project to develop a new professional pronouncement on the use of internal auditors' work by SAIs (Bucharest, 3-4 March 2020).

In early 2020, the Court joined the INTOSAI Working Group on Big Data, where ideas and information are exchanged about the use of data analysis by SAIs.

Staff members participated in the web meeting on Audit Technology Innovation (24 September 2020) during which thirteen ongoing data analysis projects were discussed among other topics.

2.4.2 EUROSAI

Since 2017, the Court has been actively involved in the implementation of the EUROSAI Strategic Plan 2017-2023. More particularly, it has been leading the project group on the follow-up of the implementation of audit recommendations of SAIs.

In this respect, a survey of the different systems used by EUROSAI members to follow-up the implementation of their audit recommendations was organised. The preliminary results were presented at the EUROSAI-OLACEFS online joint conference *The COVID-19 pandemic: a unique opportunity for Supreme Audit Institutions to highlight the impact of their work* (9-11 September 2020) and the EUROSAI Strategic Goal 1 online meeting (3 December 2020).

As COVID-19 has definitely had a global impact, all SAIs have been looking for ways to address the situation. It is therefore appropriate that SAIs learn from each other, although they may decide to deal with the pandemic each in their own way according to their priorities and mandates. The EUROSAI Project Group *Auditing the Response to the COVID-19 Global Pandemic* of which the Court is a member provides an appropriate forum for that purpose.

A staff member contributed to a webinar on sustainable energy as part of the EUROSAI Working Group on Environmental Auditing (7-8 April 2020). The seminar included audit presentations, lectures and expert views.

A staff member took part in the online plenary meeting of the EUROSAI Working Group on Environmental Auditing (28-30 September 2020).

In 2020, the Court continued its participation in the EUROSAI IT Working Group. In June, the new president of the working group presented a work plan for the next four years and proposed to set up a Research and Training Hub. He also organised a webinar in November *SAIs and the Digital Turn: Developing IT skills and IT audit capacity*. The Working Group's plenary meeting was held online on 12 November 2020.

2.4.3 AISSCUF

The Court's Senior President has been treasurer of the Association of Supreme Audit Institutions that have the use of the French language in common (*Association des institutions supérieures de contrôle des finances publiques ayant en commun l'usage du français* – AISSCUF).

AISSCUF organised a professional seminar on the formulation and follow-up of audit recommendations (Marrakech, 19-20 February 2020). Representatives of 23 SAIs, including the Court of Audit, attended the seminar.

Prior to the seminar, a survey was conducted on the topic at hand, revealing many differences from one country to another in both the formulation of the recommendations and their follow-up.

At the seminar, the Court's representative gave an overview of how the Court's recommendations are followed up in Belgium. She also discussed the progress of the EUROSAI Project Group *Follow-up of the implementation of audit recommendations*.

2.5 External audit of International Organisations

OCCAR, the Organisation for Joint Armament Cooperation, facilitates the joint management of fourteen major armament programmes.

The Court of Audit is member of the board of auditors of OCCAR and is one of the external auditors of the A400M programme. A member and staff of the Court, together with French, German and Spanish auditors, audited the 2019 accounts of the A400M programme (Madrid, 12-13 February 2020 and Toulouse, 8-13 March 2020).

The Court was 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. In this capacity, the Court audited the accounts 2019 of the Wassenaar Arrangement (Vienna, 9-13 March 2020).

3 Bilateral/multilateral relations

The Court of Audit has become a member of the informal *European Transport Audit Expert Network*, which brings together about ten European SAIs and the ECA. The Network promotes the exchange of experience, information and methodological insights in the field of performance audits on transport issues. In 2020, the network focused more particularly on railway issues, with the Court presenting three audits related to this topic.

The Court hosted foreign delegations, a/o from the SAIs of Romania (Brussels, 28 January 2020) and Vietnam (Brussels, 26 February 2020).

The *European Evaluation Society* (EES) is a non-profit association that has been in operation for over twenty years. The EES strives to stimulate evaluation in order, ultimately, to improve the well-being of citizens. One of the latest webinars was dedicated to *Transforming Evaluation: Evaluation for the Good Anthropocene* (17 December 2020) and highlighted the importance of considering climate, environmental and health impact when evaluating an action.

The Court joined the EES in 2020 pursuant to its strategic plan 2020-2024, which aims to increase the Court's added value for society through high-quality audits.

4 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, Louvain-la-Neuve, Liège and others).

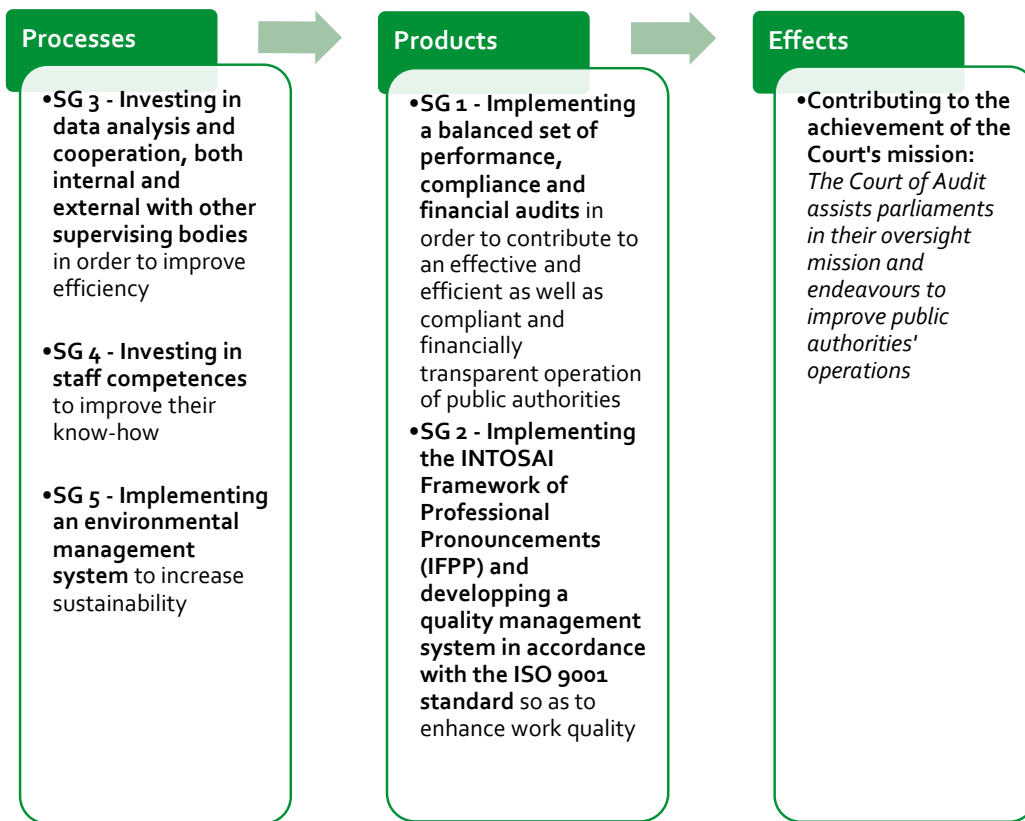
They are called upon as experts too, in order to contribute to training days or webinars and to written publications.

5 Feature article: Implementation of the Court’s Strategic Plan 2020-2024

5.1 Context

In 2004, the Court of Audit formalised its two major purposes in a mission statement, 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 and the stakeholders’ expectations.

The strategic plan 2020-2024 outlines five strategic goals (SGs) in the form of a causal chain (processes -> products -> effects):



5.2 Implementation in 2020 of the strategic plan 2020-2024: evaluation around five major topics

5.2.1 New ways of working (SG4)

The Court was already determined to increase its staff knowledge, autonomy and mobility even before the outbreak of the coronavirus pandemic. The health crisis has sped up the process.

Most staff members have worked from home since March 2020 and new communication channels and working procedures have been developed. The work organisation has been reviewed as well for those who cannot telework.

Following on from such changes, the Court conducted a survey of its managerial staff to ascertain how far the strategic plan's goals were fulfilled in this time of pandemic and to draw out relevant lessons. As a result, the General Assembly approved in October 2020 a structural reform of the work organisation: more flexibility, mutual trust and responsibility for staff instead of constraints of location and time; combination of a commuting and a home office allowance; extension of the IT equipment provided for teleworking; workspace rationalisation, etc.

5.2.2 ISO 9001 (SG2)

The Court outlined a new quality vision in 2019. In that context, it confirmed its commitment to the INTOSAI auditing standards, more particularly to the INTOSAI Framework of Professional Pronouncements (IFPP).

The new quality management system that the Court decided to introduce in order to steer the IFPP implementation has a double purpose:

- supporting quality audits by providing the necessary management measures to ensure compliance with quality standards;
- enabling the Court to ensure and demonstrate the proper functioning of the management measures.

To achieve this, the system should be authoritative and internationally recognised, it should be able to be integrated into the Court's existing processes, be compatible with the IFPP, etc. The Court has therefore opted for an ISO 9001:2015 certification and has taken significant initiatives in 2020 despite the pandemic:

- verifying that the processes comply with the IFPP and setting out improvement projects;
- mapping measures to cover risks or exploit opportunities (phased implementation of these measures started in 2020 and will continue in 2021);
- developing new management diagrams (turtle diagrams);
- conducting the first internal quality audits to determine the compliance level with ISO 9001, which will be completed in the first half of 2021.

Finally, external certification should take place in the first half of 2022.

5.2.3 Implementation of the IFPP

The IFPP was introduced to replace the ISSAI framework at INCOSAI XXII in December 2016 and became 'the' international reference for SAIs' auditing of public finances in September 2019 (INCOSAI XXIII).

In parallel with obtaining ISO 9001, the Court set up a working group to organise IFPP implementation for the duration of the strategic plan 2020-2024. The working group's priority is to ensure compliance of the audits for the certification of accounts with the IFPP. Unless the Court meets all IFPP requirements, it cannot state unreservedly that it has carried out its audits in accordance with the IFPP. Financial audits that are not intended to assess the true and fair view of the accounts are not required to be performed in full accordance with the IFPP and the relevant ISAs.

Thematic and compliance audits will also be conducted according to the IFPP.

The IFPP as such does not apply to budget analyses. Therefore, the Court has been developing a specific framework in their case.

The Court also benchmarks against other SAIs. Doing so allows it to take stock of the progress achieved and to adjust its course if necessary. The Court also aims to achieve a common internal interpretation of principles and standards, identify areas for improvement and develop an action plan focused on good practices and annual evaluation.

5.3.4 Cross-cutting issues (SGs 1 and 3)

One of the actions set out in the strategic plan 2020-2024 is for the Court to carry out horizontal audits involving several levels of government in Belgium when such audits provide added value.

Society today has to deal with challenges – such as climate, immigration or mobility – extending beyond the borders of a single level of government and requiring a coordinated approach. For that purpose, Belgium has several consultation bodies that bring together representatives of all governments or the ministers in the same field competence. As a Member State of the European Union, Belgium is also required to report regularly on policy issues involving several levels of government.

As an audit body, the Court has an overall view of the different levels of government and can therefore play a unique role precisely when it comes to the political aspects requiring a global, coordinated approach.

In 2020, the Court published its first horizontal audit entitled *Sustainable Development Goals – 2030 UN Agenda: implementation, monitoring and reporting by the Belgian authorities (preparedness review)*.

An audit on the economic support measures granted to individuals and companies impacted by COVID-19 is being carried out by the Court's different audit departments at federal and regional administrations.

An internal project group has been created to promote and integrate horizontal audits into current procedures. The project group will also collect and compile relevant experiences into a good practice guide.

5.3.5 Datalab (SG3)

The use of large databases containing the most diverse data in many areas has become increasingly important for Belgian public sector bodies. If the Court is to audit the efficiency of public sector finance management, it must have in-house knowledge to analyse such databases.

The Court has therefore invested in the necessary knowledge and infrastructure. *Datalab* was created in 2018. It brings together the Court's experts in data analysis and assists audit teams in extracting and analysing data in the course of their auditing work.

Datalab organises presentations on technique evolutions or even basic training courses for those interested.

The Court invests heavily in knowledge sharing, both internally and internationally. Not only has it joined the INTOSAI Working Group on Big Data, it also exchanges information with other SAIs and the ECA.

5.3 Conclusion

In order to ensure the highest level of operational guidance, the Court of Audit has opted for a sober strategy with a limited number of goals. Its ambition to take concrete steps, even in a difficult societal context, to improve its functioning and audit quality through an adjusted work organisation, a new standards framework and targeted data management, indicates that the Court is well on the way to achieving its 2020-2024 strategic plan's goals, thereby implementing its mission statement as well.

The Court will continue to follow up the implementation of the 2020-2024 strategy in future annual activity reports.

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



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