

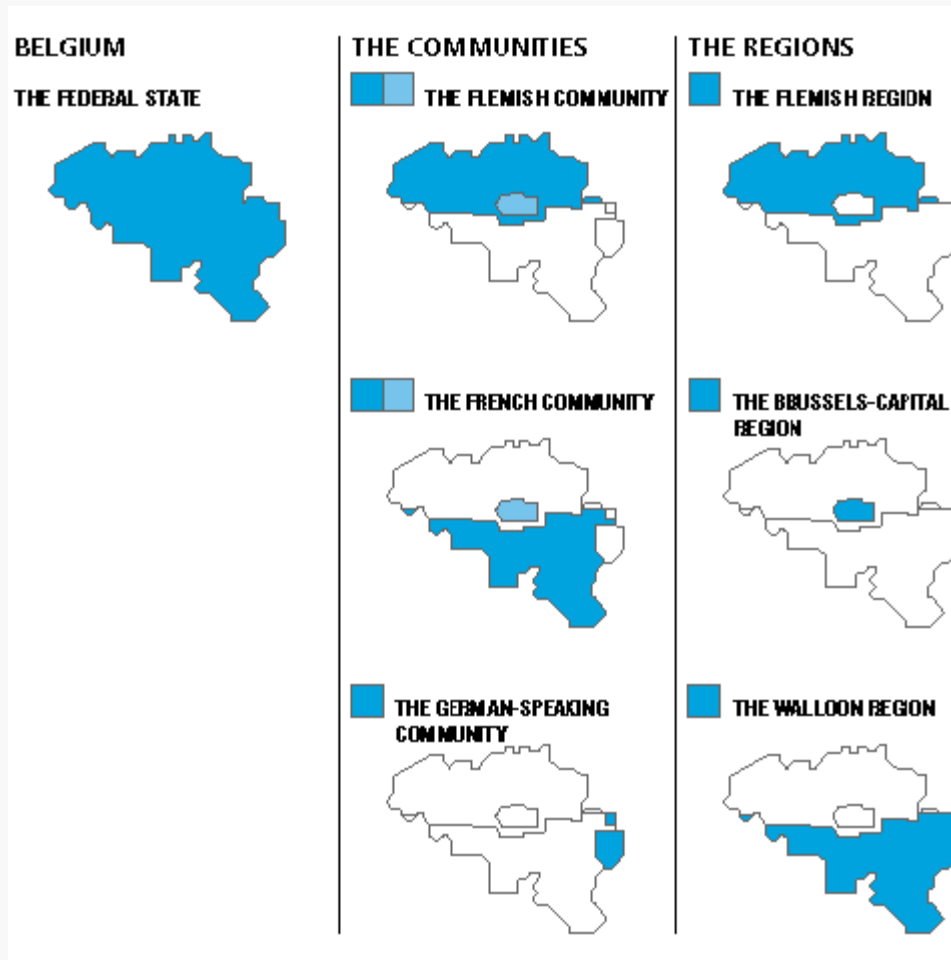
**Belgium: draft legislation to
extend the audit remit of the
Court of Audit to NGOs**



Belgian state structure

- Federal State
- 3 Communities (Flemish, French and German-speaking)
- 3 Regions (Flemish, Walloon and Brussels)
 - Brussels: 3 Communities Commissions (French, Flemish and Common)
- 5 + 5 Provinces (Flemish and Walloon Regions)
- 1 Court of Audit

Belgian state structure



Court of Audit – audit mandate

- Belgian Constitution (1831, 1993), article 180
- Court of Audit Act (1846 - 2003)
- Communities and Regions financing Act (1989)
- Public accounting reform Acts (2003)
 - Amendment to Court of Audit Act
 - Federal State budgeting and accounting Act
 - Communities and Regions budgeting and accounting general provisions Act
- External audit of expenditure and revenue of federal State, Communities and Regions, their public service agencies and Provinces

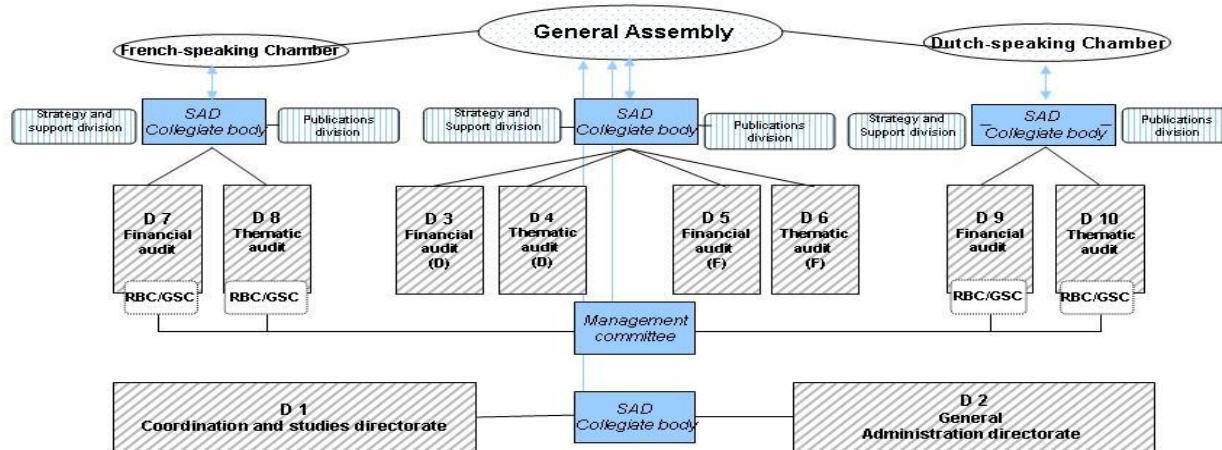


Court of Audit - organization

- Collegiate body
 - Members elected by federal House of Representatives
 - General Assembly (12 members) =
Dutch-speaking Chamber (6 members) +
French-speaking Chamber (6 members)
- Administrative services
 - Federal sector (2 + 2 directorates) and Communities and Regions sectors (2 + 2 directorates)
 - Financial Audit and Thematic Audit directorates



Court of Audit - organization



I: Sector of the support directorates (D1 and D2)
 II: Federal Sector (D3 - D6)
 III: Sector of the communities and regions (D7 - D10)

GSC: German-speaking Community
 RBC: Region of Brussels-Capital City
 SAD: Senior Auditor-Director

Court of Audit - types of audits

- Budgetary analysis
- Financial audits
 - General accounts and agencies' accounts
 - Accounting officers' accounts
 - Administrative ruling
 - Jurisdictional competence
- Legality and regularity audits
- Performance audits (1998)



Court of Audit - types of audits

- Specific competences (specific Acts)
 - Checking pupils counts of Communities (distribution key VAT to Communities)
 - Opinion on personal income tax autonomy Regions
 - Opinion on budgetary impact of corporation tax reform (2002)
 - Opinion on electoral expenditure reports and on political parties' accounts financial reports
 - Recording statements of offices held and declarations of assets of political representatives and senior officials



Draft legislation - origin

- FRANCE: legislative Act of 7 August 1991
 - entities that appeal to public generosity with national campaign
 - also private sector entities
 - French Court of Audit audits use of funds
 - audit reports addressed to decision making organs of entities and made public
 - example: audit of funds collected for tsunami aid (audit report January 2007)

Draft amendment to Court of Audit Act (1st version)

- Court of Audit can audit management of funds collected by organizations that have appealed to public generosity
 - private sector organizations
- Simultaneous draft amendment to Constitution (article 180):
Court of Audit is also in charge of other competences assigned to it by law

Draft amendment to Court of Audit Act (1st version)

- Advice Court of Audit to Parliament
 - Scope of draft amendment to Constitution is larger than scope of draft amendment to Court of Audit Act
 - Parliament has to legislate on:
 - which organizations ?
 - audit terms: initiative, periodicity, addressees ?
 - audit subject: management or use of funds ?
 - organizations: information and accountability ?
 - access to information for Court of Audit ?



Draft amendment to Court of Audit Act (2nd version)

- Court of Audit can audit use of funds collected by non-profit organizations or foundations that have appealed to public generosity with national campaigns
- Court of Audit has its regular (organic law) access to information



Draft amendment to Court of Audit Act (2nd version)

- Parliamentary hearing of Court of Audit about draft amendment to Constitution
 - possible consequences of all (federal and regional) legislative assemblies having power to extend audit remit of Court of Audit
- Draft amendment to Constitution and draft amendment to Court of Audit Act still pending



Lessons learned

- Importance of (legal and constitutional) audit mandate of SAI
 - Audit of private sector entities
- Importance of precise wording of audit mandate of SAI
- Importance of SAI being implied in lawmaking about audit mandate