



Ministry of Finance

Cooperation Internal Audit – Court of Accounts in the Netherlands

Manfred van Kesteren



Ministry of Finance

Contents

- Audit structure in the Netherlands
- Role of Court of Accounts
- Relationship Court of Accounts / Internal Audit



Overview: who are the players in the audit field?

1. Court of audit: external auditor (on behalf of the parliament)
2. Ministry of Finance
 - DG Budget: responsible for law and legislation regarding the audit function, including the norms layed down in those
3. Central Government Audit Service: responsible for performing the audit function for the ministries taking part in CGAS. Formally positioned in the ministry of Finance.



The audit structure in the Netherlands

- Court of Audit (Supreme Audit Institution)
- CHU-function: within Government Audit Service and DG Budget
- Central Government Audit Service (units within every Ministry)

Note: the Netherlands doesn't have a separate body for Financial Inspection!



Netherlands Court of Audit

- The Court of Audit investigates whether central government revenues and expenditures are received and spent correctly and whether central government policy is implemented as intended.

NCA performs two types of audits:

1. Regularity audits

a statutory task to audit the ministries' annual reports each year. The regularity audits check that the ministers use tax money in accordance with the rules

2. Performance audits

Investigate whether the ministers' policies are effective: do they produce the intended results?



Netherlands Court of Audit

- Staff: 300 FTE (210 auditors, 90 supporting staff)
- Board: 3 persons
- Legal basis: Constitution and specific law
- Mandate: central government and related organisations
- Spectrum of audit: performance and financial audit
- Budget government: 200 billion



Netherlands Court of Audit

The NCA reports in two ways

1. Once a year (third Wednesday of May: accountability day): reports with opinion on Annual Financial Accounts (per budget chapter: ministries and budgetary funds: 26 (including report with overall view))
2. Throughout the year: performance audit reports on specific topics, e.g. Combating Alcohol and Tobacco Duty Fraud (about 20 reports)



Netherlands Court of Audit

- NCA makes use of audit activities of the Central Government Audit Service
- NCA has access to all the information
- The NCA doesn't issue an audit opinion according to the international IFAC-standards. They approve the comprehensive statements of the expenditures, commitments and revenues of the central government.



Cooperation Netherlands Court of Audit / CGAS

- Roles responsibilities NCA and CGAS described in Government Accounting Act (legal foundation)
- NCA makes use of audit activities of the Central Government Audit Service
- NCA has access to all the information
- NCA has a seat in the audit committees (to be informed)
- NCA participates in the risk analyses on ministry level → contribution to annual audit plan



Cooperation Netherlands Court of Audit / CGAS

Key issues:

- Open communication
- Inform each other and use each others information
- Trust
- Legal base
- Formal and informal meetings



CHU-function

- Responsibility of the Minister of Finance.
- Joined responsibility of CHU for internal audit between CGAS and Budget department:
 - CGAS: audit methodology, audit standards and manuals
 - Budget department: formal responsibility for audit regulations
- Designing audit policies in general
- Partner in National Academy for Finance and Economics
- Special attention to the relations with
 - The Dutch Court of Audit
 - Decentralised State bodies
 - Regional and local government authorities
 - The institutions of the European Union
 - Private sector auditing
 - Professional bodies and standard setters



**Do You Have
Any Questions?**
We would be happy to
help.



Ministry of Finance

19 june 2012