



Netherlands Court of Audit

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This presentation covers

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- The Netherlands Court of Audit (NCA)
- Audit mandate, scope
- Audit types
- Example of an audit



The Netherlands Court of Audit (NCA)

- High Council of State (independent position in Constitution)
- 3 Board Members
- Secretary General in charge of 270 staff (200 auditors)
- Annual Report on Government Accounts (regularity audit), about 20 performance audit reports, 25 letters and web-based products
- Principal 'customers' are House of Representatives, Government and society
- Annual budget: € 29 million



Arno Visser, President



Francine Giskes, Board Member



Ewout Irrgang, Board Member



- **The Constitution (1814)**

“The Court of Audit (Algemene Rekenkamer) shall be responsible for examining the State’s revenues and expenditures” (Art. 76)

- **The Government Accounts Act 2001**

“NCA audits whether the financial management meets standards of regularity, is well ordered and accountable” (Art. 82 GAA)

“NCA audits the effectiveness and efficiency of the policies” (Art. 85 GAA)



- New developments in IT and scientific innovations
- NCA Academy; try new approaches
- New audit techniques and analytical methods
- Modernizing reporting techniques



Audit types

Regularity audits



- **Each year**
- At each Ministry
- Is public money spent correctly?
- Are the ministers accountable in their annual reports?
- Is Parliament well-informed?



Performance audits

- Efficiency and effectiveness of policy
- Reliability of policy information
- Other, e.g. insight into complex chains and integrity
- 40-50 products (report, management letter, website) per year



Government Accounts Act

Effectiveness and efficiency of the policy pursued

- Effective: policy leads to desired effect
- Efficient: policy leads to desired effect with minimal input



Example of a study: Energy Label for Houses

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- Example of relative small project to examine effectiveness
- The study was part of Annual report for the year 2015



Context of the energy label

- The label measures energy efficiency (A = most energy efficient; G = least energy inefficient)
- Implementation of the Energy Performance of Buildings Directive (EPBD)
- Introduced in 2008, revised in 2015



Two energy label schemes

- Old system (2008 – 2014):
 - Physical check on 150 points by expert
 - Label not mandatory (if both seller and buyer agreed)
 - Costs for consumer: on average € 200 per label
- New system: (since 2015)
 - Remote check on 10 points
 - Submit information (photos, etc.) digitally
 - Costs for consumer: on average € 9 per label



Part 1: Reliability of the energy label

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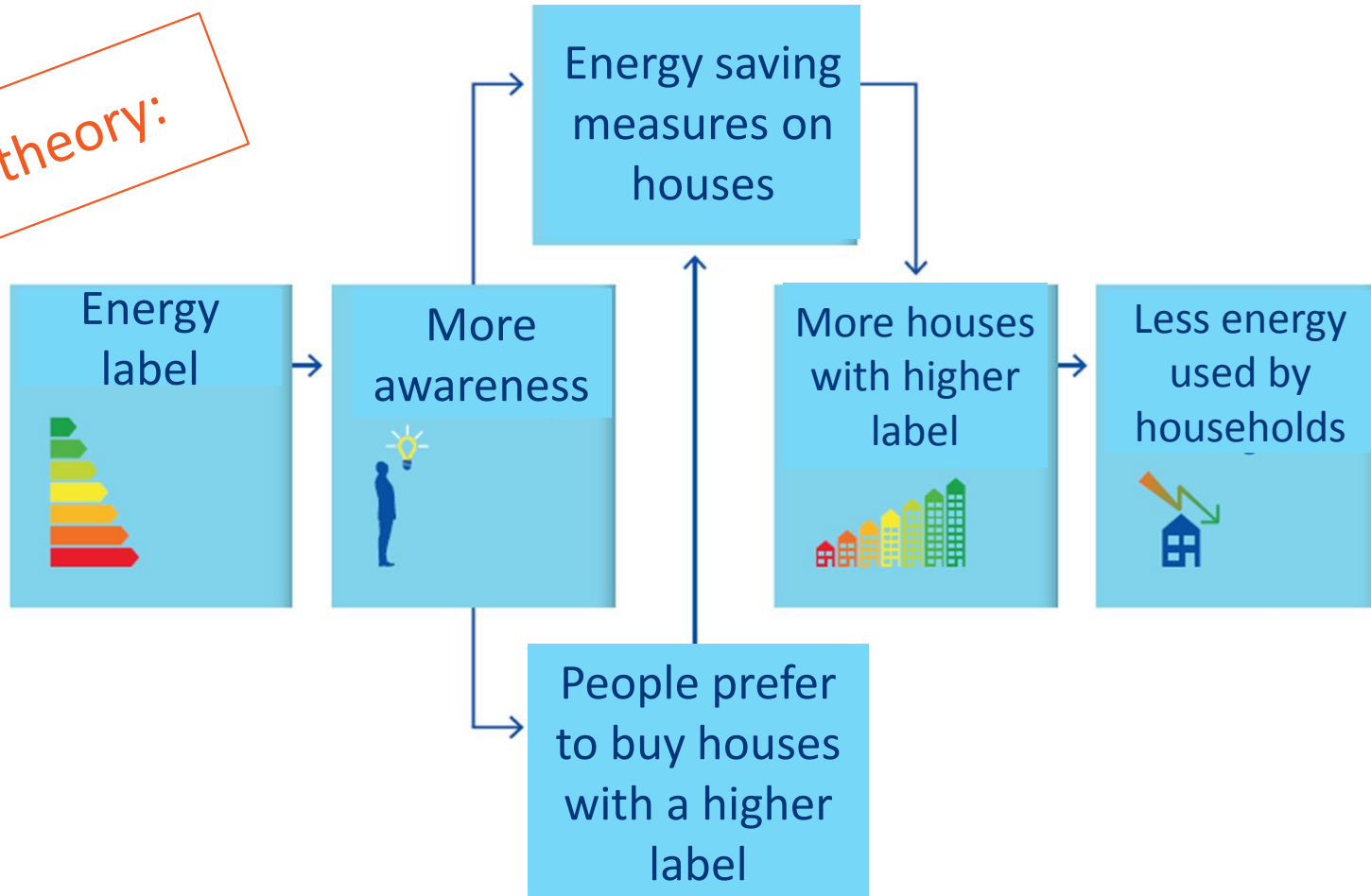
- Comparing classification of old and new system (47% of houses received different classification)
- Examine quality of remote check (14% of cases where evidence was required were incorrectly classified as sufficient)



Part 2: Effectiveness of the energy label

- Does the energy label work as intended?

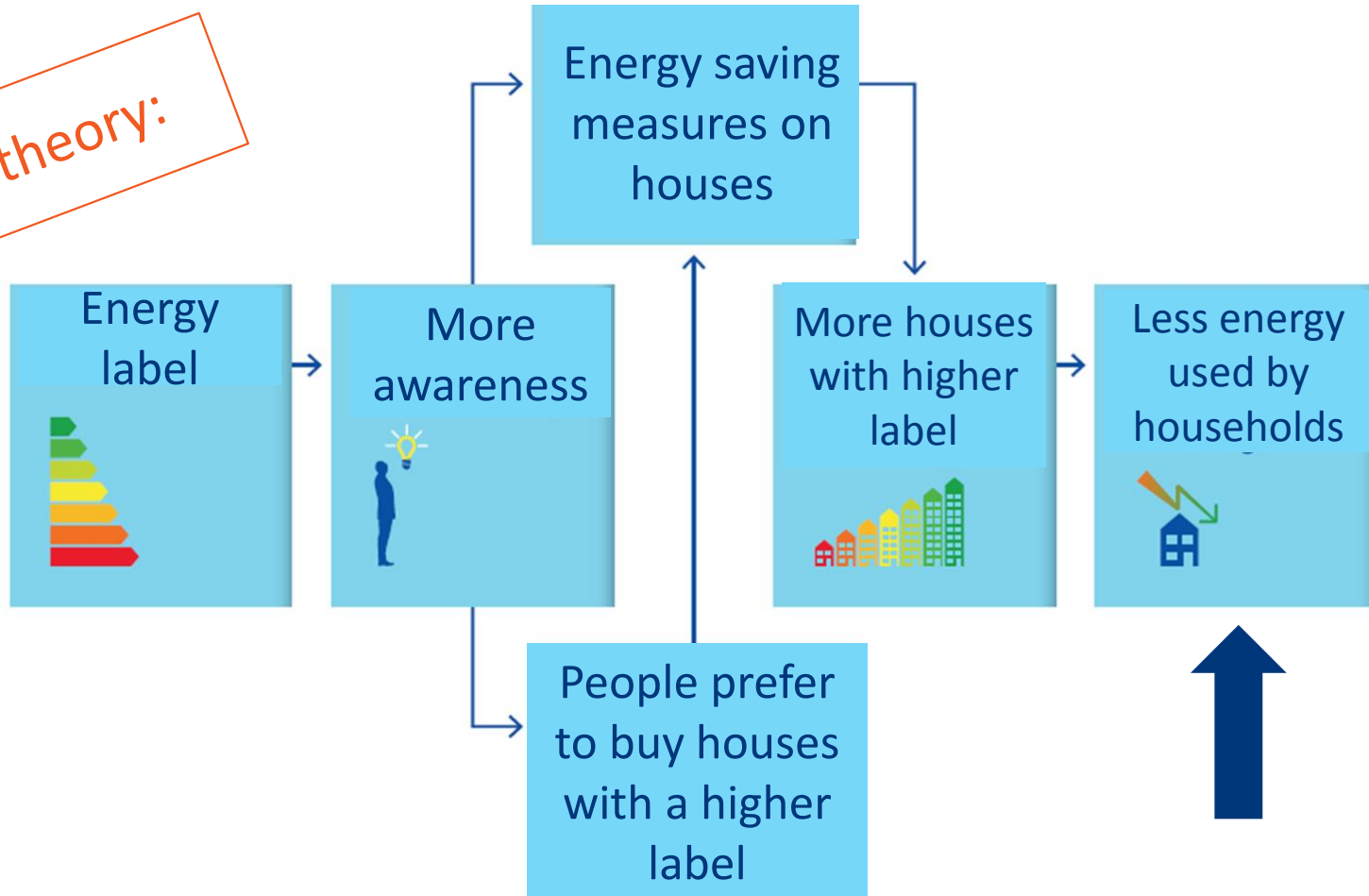
The theory:



Part 2: Effectiveness of the energy label

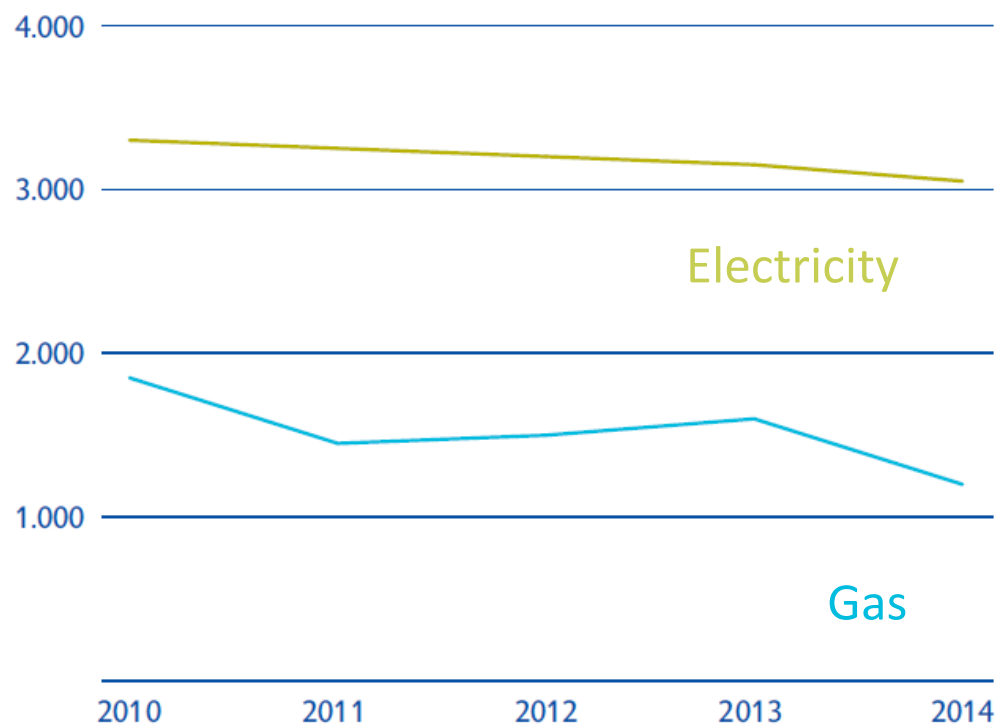
- Does the energy label work as intended?

The theory:



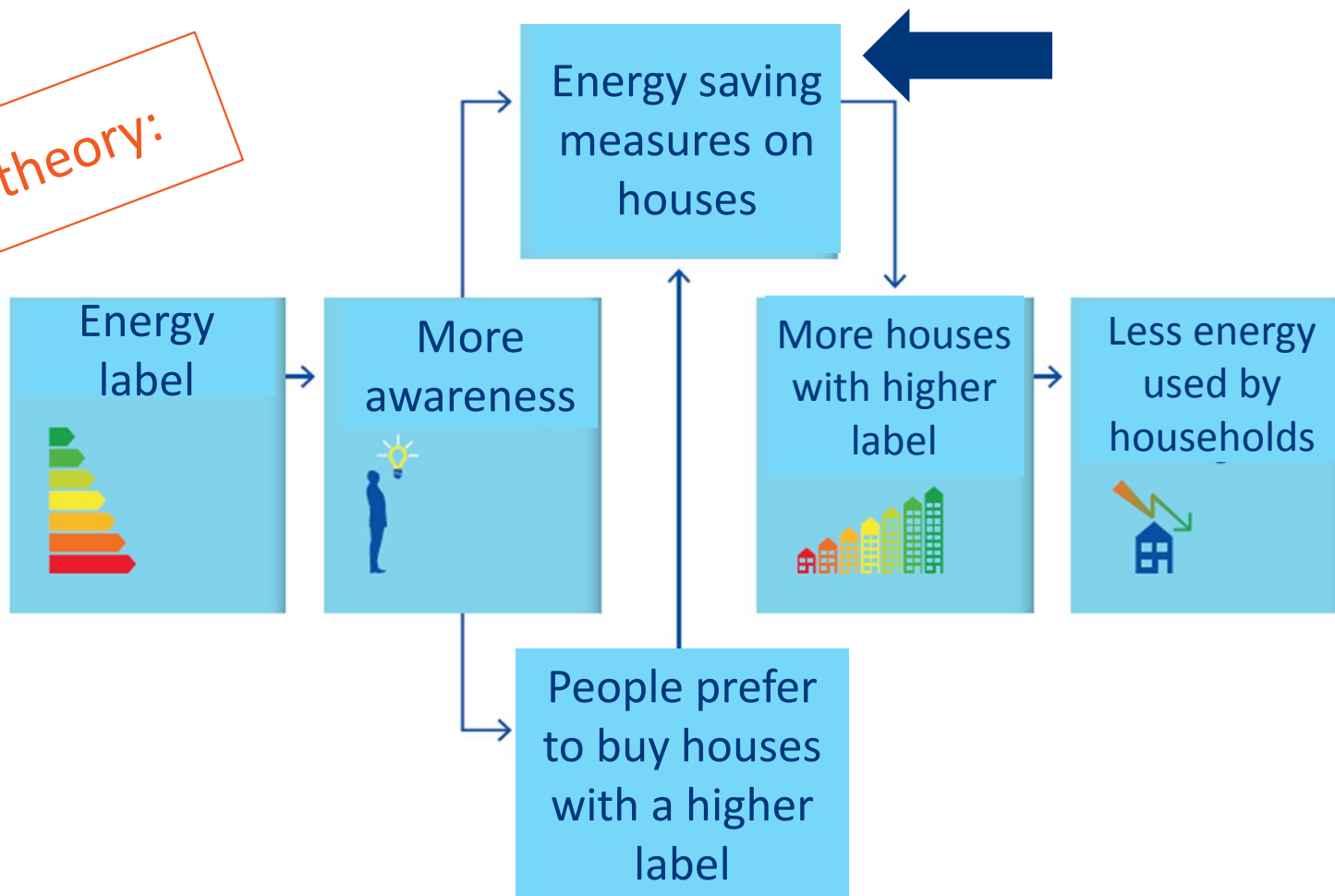
Do houses become more energy efficient?

- Average energy consumption does decrease.



Part 2: Effectiveness of the energy label

The theory:

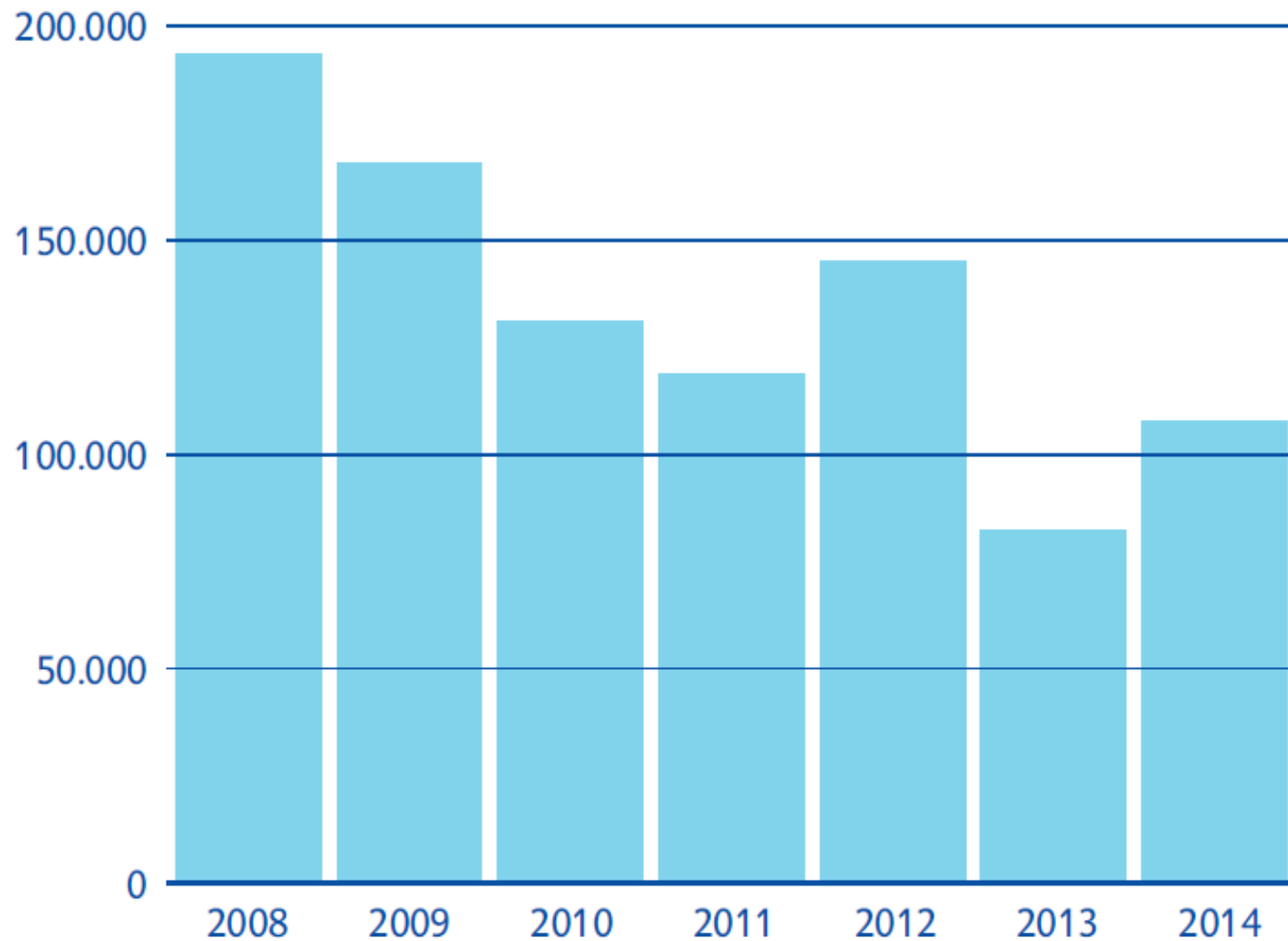


Do houses become more energy efficient?

- Government goal: each year 300,000 existing buildings should improve 2 steps in rating.
- In monitoring: government *assumes* 1 measure to improve leads to 1 step improvement in rating.
- Government monitors how many home owners take 2 measures or more to improve energy efficiency.

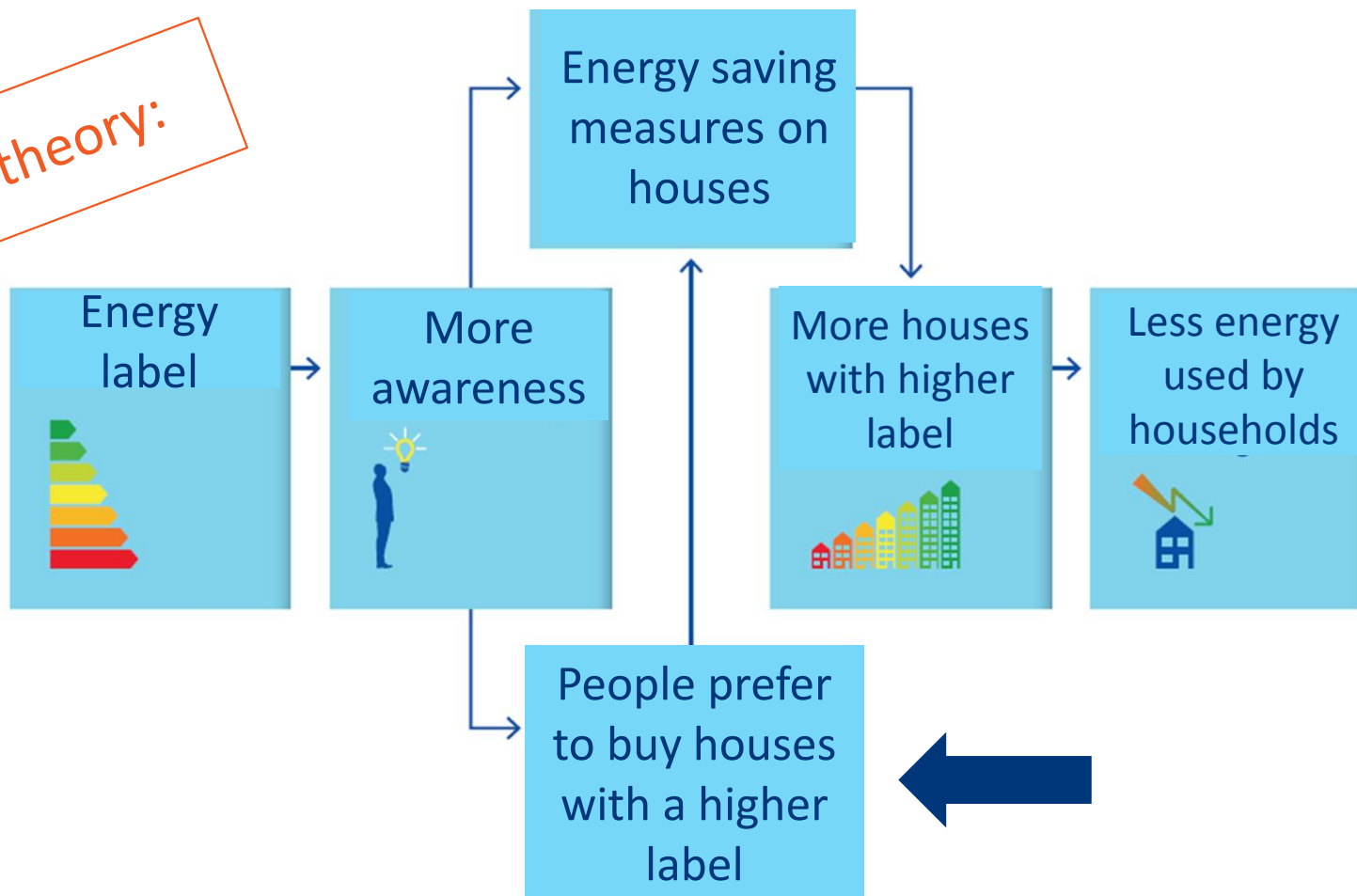


Number of measures does not increase in time



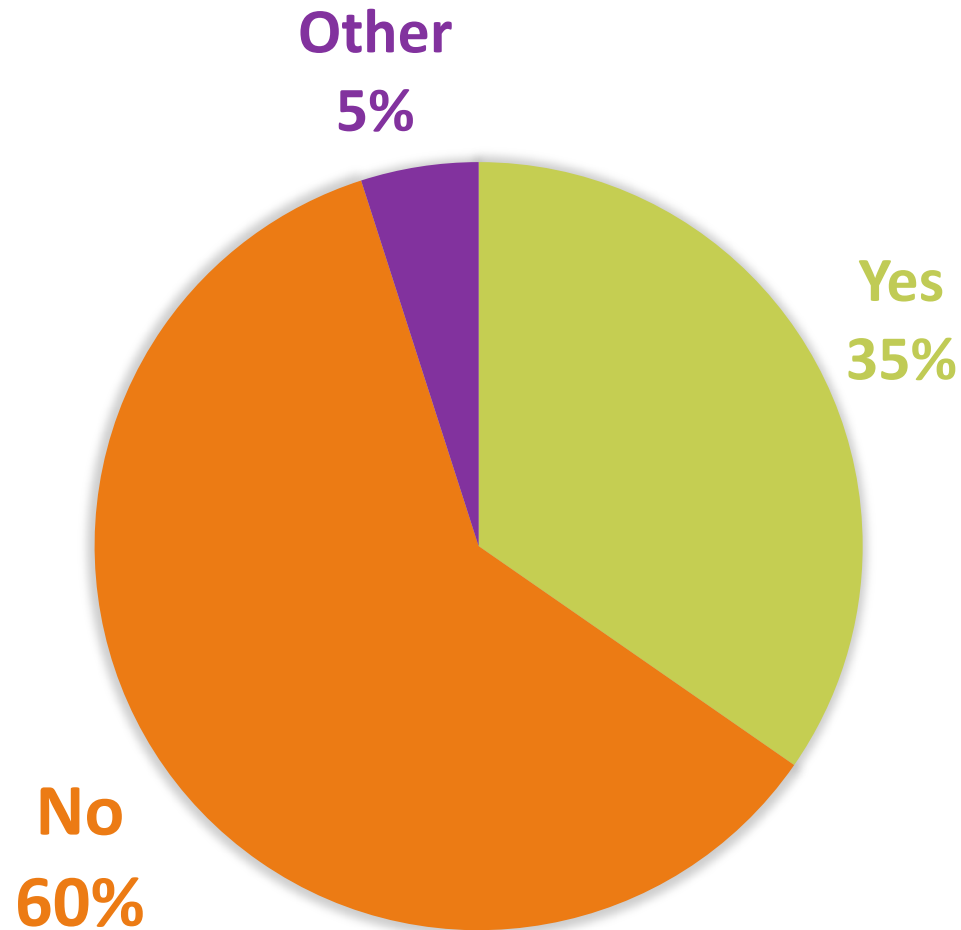
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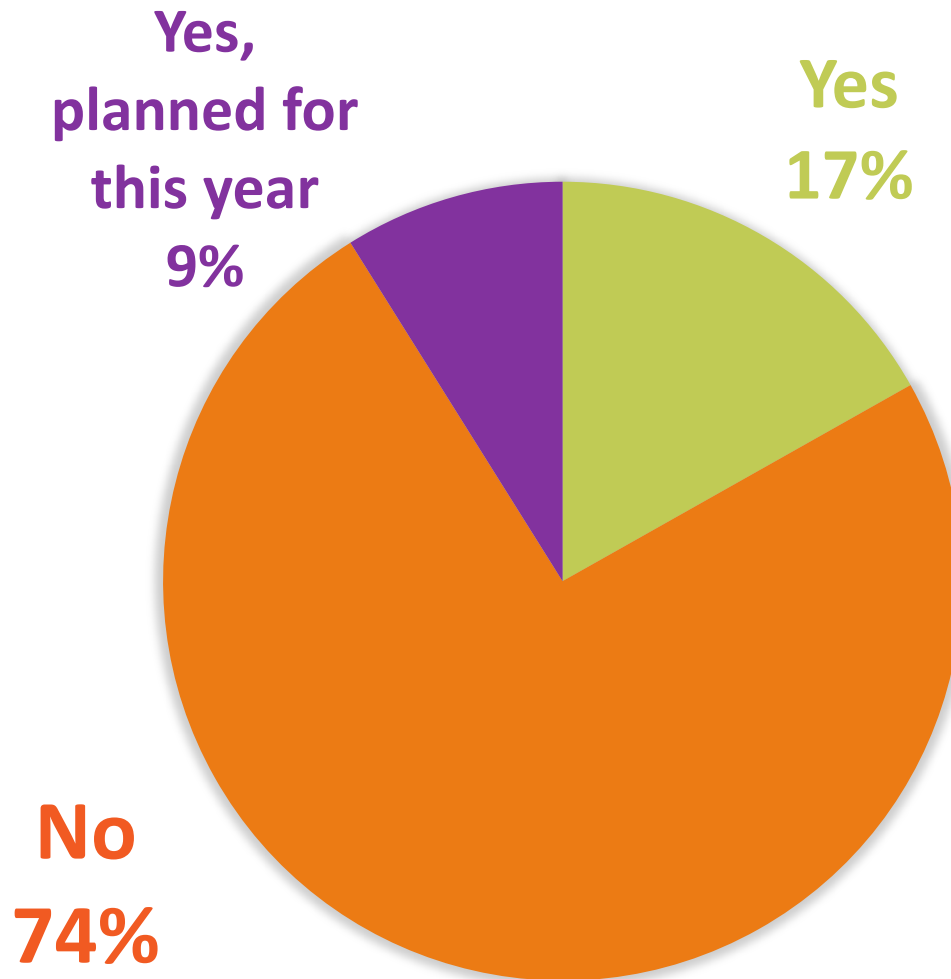


Survey

Did the Energy Label give you more insight into the energy efficiency of your dwelling?

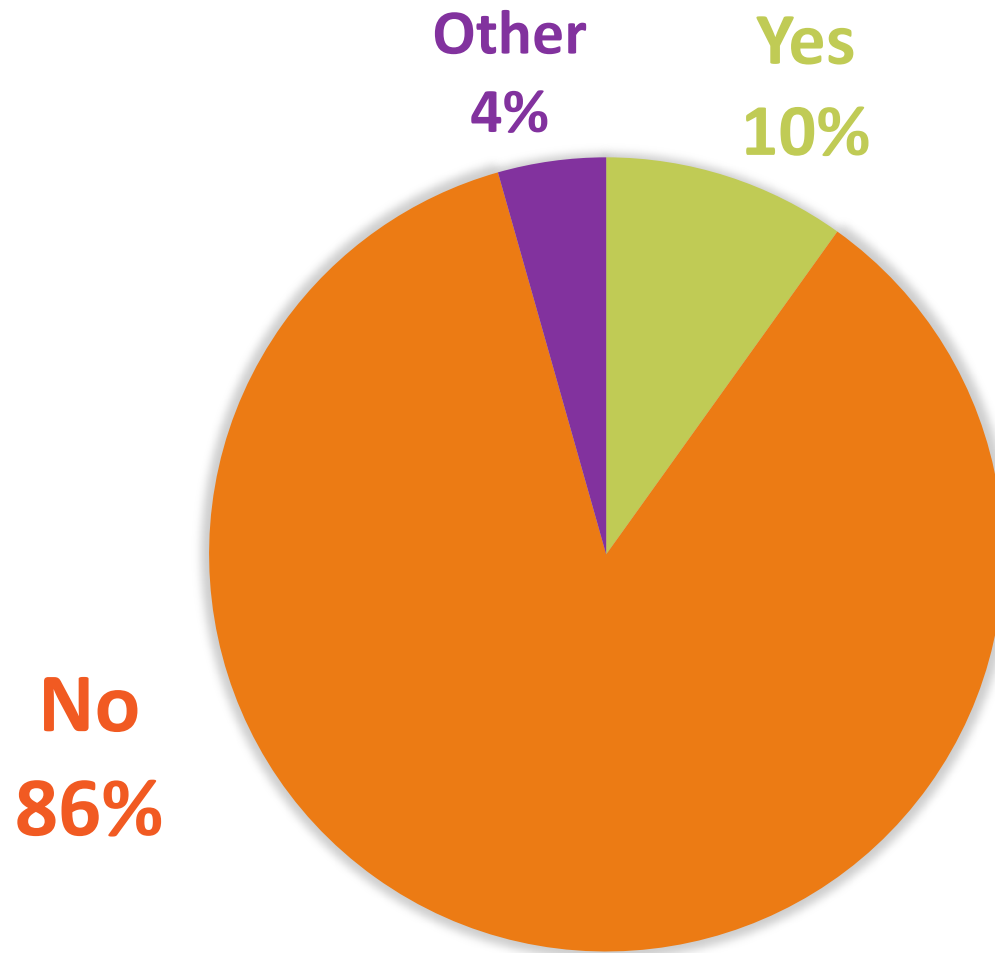


— Did you take additional energy saving measures?



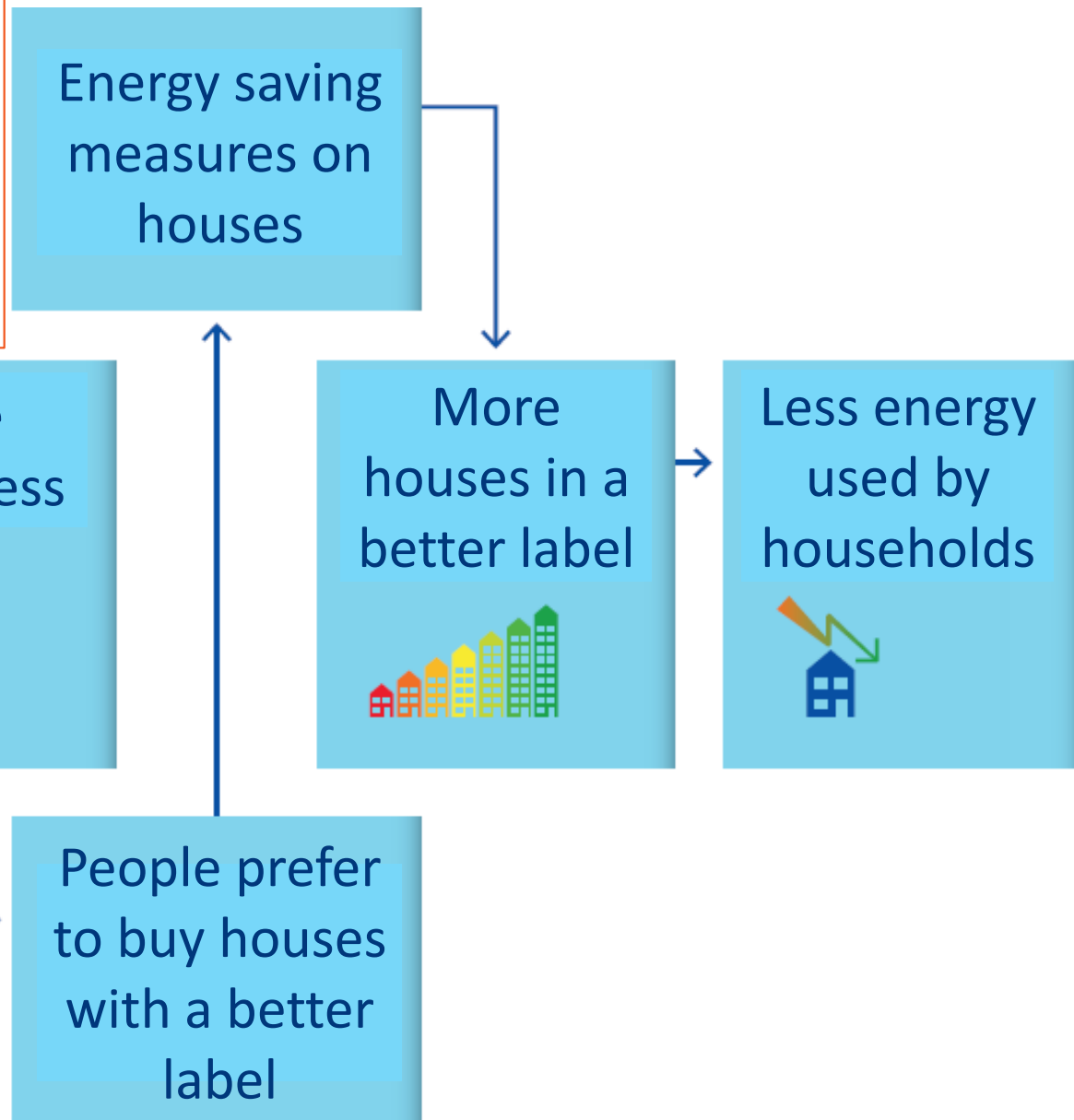
Survey

If Yes in the previous question, was the energy label decisive?



Concluding:

Less energy is being used, but the energy label is not really contributing





Thank you for your attention!

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