

Abstract

Implementation of higher institutions regulation

The Court of Audit has examined how higher education institutions regulations are implemented on the basis of a sample of four higher institutions (“hogescholen”). It has come to the conclusion that although higher institutions were merged they still operate in a rather strongly decentralized way. This means that they do not benefit from economies of scale and from a unified management structure and policy. As things stand now higher institutions take too few initiatives regarding the provision of social research services, which is an essential part of their mission. As far as investments are concerned, they pay insufficient attention to the multi-annual budget process. Moreover the free subsidized higher institutions score badly when it comes to compliance with public procurement regulations. Internal control of the personnel cycle is still liable for improvement in fields like file completeness and substantiation of decisions regarding personnel matters. The Court of Audit has recommended that higher institutions should exercise caution when delegating, strengthen their policy and initiatives regarding the provision of social research services and use updated multi-annual budgets. They should also put in place a good supervision of the public tender awarding process.

Examination of the sample

The Court of Audit examined how the higher institutions regulations were implemented on the basis of a sample of four higher institutions, namely the (Flemish autonomous) Higher Institution of Antwerp, the Higher Institution for Science and Art, the Catholic Higher Institution of Mechlin and the Sint-Lieven Catholic Higher Institution. The audit focused on the issues of organization, provision of social research services, investments and personnel matters. For each of these topics the Court of Audit performed a legality audit and a financial audit.

Management and organization

None of the higher institutions had an organization chart depicting the full organization and all staff members with their respective level and function. Nonetheless, such a chart is important for the day-to-day administration of a higher institution, for discussions about personnel matters and for determining and following up staff establishment every year. In one of the higher institutions the board has delegated many powers to management councils. Some of the powers delegated are questionable. In addition central services do not supervise the implementation of delegations in a sufficient way.

Implementation of the decree on social research service provision

Higher institutions have to provide not only higher teaching but also social research services and, if necessary, collaborate to projects of scientific research. In some cases higher institutions' central administration offices lack information about the social services provided by the departments and this has an adverse effect on internal control and policy follow-up. Furthermore, activities are only transferable to non-profit organizations or other legal persons if higher institutions are unable to carry out these activities themselves in the prescribed way or by ordinary contract agreement and provided their general or financial interest is not at stake. When a decision is not substantiated by the board, it does not always appear clearly whether such requirements have been met. Some higher institutions did not always seem to conclude a legally valid contract agreement with a non-profit organization. The organization of advanced and postgraduate studies belongs to higher institutions' mission and is therefore not or not fully transferable. However, one higher institution applies such a system.

Investments

As far as investments are concerned higher institutions' budgets and multi-annual budgets comply with nearly all regulatory obligations. In some cases, however, they do not provide sufficient detail about the planned investment expenditure. Changes and carry forwards in the multi-annual budget are generally insufficiently accounted for. Differences in allocation rules make reconciliation difficult between higher institutions' annual accounts and those of the subsidizing bodies (DIGO - Subsidized Education Infrastructure Works Department and IVAH – Investment Service for the Flemish Autonomous Higher Education Institutions). The autonomous higher institution under examination respect public procurement regulation perfectly, whereas this is a weakness in the investment process of the other higher institutions. The Court has also noted infractions against the rules for choosing the tender procedure and advertising contracts as well as regarding the managing body that awards the contract and the advice to be sent to unsuccessful tenderers. Besides, due to the decentralized structure, some higher institutions do not benefit from economies of scale and all department or campuses have therefore to master the complex regulation involved.

Personnel matters

In the four higher institutions under examination staff expenses represent on average over 75 % of total expenses. The Court of Audit has come to the conclusion that the personnel cycle internal control in higher institutions was generally effective, but also formulated some improvement suggestions. In theory strong points in the personnel cycle were: separation of functions, checks, protection of critical personal data, potentialities of the electronic personnel file and authorization. However all higher institutions had a great number of incomplete staff files. Recruitment documents and also career and salary details were lacking. Higher institutions have already made efforts though to complete the files. The decree on higher institutions gives them wide leeway to validate useful professional experience. In this instance, however, higher institutions did not comply with the explicit or implicit substantiation requirement. Finally higher institutions assigned tasks and used guest lecturers in a way that is against the spirit of the decree.

Minister's response

The minister mentioned that the recommendations from the audit report would be compiled, as they are relevant for all higher institutions and not only for the four under examination. He said he intended to send a general note with recommendations to all higher institutions and have the auditors follow-up certain recommendations.