

Report to the Flemish Parliament

The Belgian Court of Audit examined the subsidisation process under the Equal opportunities division in Flanders

Although the organizational control of the Equal opportunities division in Flanders (GKV) and the legal framework governing subsidy flows are properly functional, the subsidy cycle still shows several flaws, such as the lack of unambiguous criteria to select the beneficiaries of some GKV's subsidies, the often incomplete reporting on the commitments contracted and the GKV's occasional failure to carry out an in-depth review.

Introduction

The Equal opportunities division (GKV) is an actor of the Flemish Equal opportunities policy. It targets women and men (gender), holebis and accessibility for functionally impaired persons. GKV provides *nominative subsidies* ("ad nominatim subsidies") to a range of advisory bureaus involved in matters of accessibility and umbrella representative associations ("middenveld"), *project subsidies* to organisations that help shape the Flemish Equal Opportunities policy and various operating grants to the provincial authorities. For the period 2006-2009 GKV provided between 59 and 77 subsidies on an annual basis with subsidy ceilings between 4,1 and 5,4 million EUR.

Legal framework

GKV worked out a valid legal framework for subsidy flows. Subsidisation decrees generally delineate clearly the purpose of the subsidies provided as well as the nature, the size and specific substantiation rules. Nevertheless there are several flaws. Result commitments for the nominative organizations are defined in absolute terms, so that they cannot claim subsidies if they do not fully achieve their objectives. The definition of project subsidies is insufficiently delineated. Moreover the subsidy beneficiary's own contribution is only assessed at the time of the budget submission and not at the time of the budget settling. The various operating grants to the provincial authorities lack a uniform subsidy framework.

Subsidisation

As far as nominative subsidies are concerned there are no criteria in place to select umbrella representative organizations. Actually for three subsidised organizations the representativity or their recognition as Equal opportunities associations can be called into question. Umbrella representative organizations' annual reports and annual plans do not provide the administration management with sufficient knowledge regarding compliance with commitments made. A few project subsidies were unduly granted because of some legal unclarities. Operating grants

to provinces are not sufficiently substantiated in a transparent way. The Court could not decide whether the subsidies were justifiably granted.

Control on subsidy settlement

An efficient and effective control on subsidy settlement is also compounded by a lack of clear and complete substantiation and a lack of agreements designed to prevent double subsidy among GKV and the other subsidizing authorities. As GKV is under time pressure it does not control settlements at the end of the year thoroughly. Moreover the division does not check strictly whether the subsidy beneficiaries ensure sufficient visibility in their publications and whether they submit their supporting documents in time. GKV does not impose such constraints: in case of non-compliance it still approves the subsidy.

Framework

Theoretically GKV worked out sufficient control activities to ensure a smooth running of the subsidy cycle, assuming they are implemented properly. Subsidies' funding works in a transparent way and GKV implements the motions of recommendations in its policy letters.

Minister's reply

In his reply of 7 December 2010 the Flemish minister for Equal opportunities commented on the Court's report and some of its recommendations. He announced that he would reinforce control to monitor the visibility of the subsidization process. He said he would go along with the recommendation relating to the term "*middenveld*" (*umbrella representative organizations*). As far as project subsidies are concerned he found they have already been sufficiently delineated in the new subsidy manual.

The audit report on "Equal opportunities division in Flanders: monitoring of the subsidy flows" has been sent to the Flemish Parliament. The full version and this press release can be found on the Court's website (www.ccrek.be).

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