

## PRESS RELEASE

8 April 2013

Report to the Flemish Parliament

*Cultural and Youth Infrastructure*



The Court of Audit has examined investments by the Flemish Community in superlocal cultural and youth infrastructure, both in government's own infrastructure and in subsidized infrastructure. The investigation also covered the cultural and youth infrastructure management government entrusted third parties with. The court concluded that government lacks sufficient insight in infrastructural needs in order to be able to formulate well founded policy objectives. Furthermore, government does not systematically evaluate the impact of concluded investment projects on performances and operating costs. Concerning maintenance, the government services involved lack sufficient insight in the progress of the work. Finally, assigning infrastructure to third parties isn't based on preliminary set criteria, nor on objective selection procedures.

### **Alloting investment means**

By lack of any analysis of needs, the allotment of means to cultural and youth infrastructure is insufficiently founded. Sectorial subsidies fit within the framework of the sectors the Flemish Government gave priority to, but the assigned budget also partly goes to other subsidies. It is often unclear how these nominal subsidies or investments in government's own infrastructure fit in with policy objectives. Subsidy decisions insufficiently take into consideration available means. If the administration is involved in the investment decision, she usually well prepares that decision. However, she doesn't explicitly judge project feasibility, results or sustaining guarantees. Budget documents supply lots of information about available investment means, but lack information about the investments themselves or future commitments. Flemish Parliament receives little information about the implementation and results of the investment policy.

### **Maintenance of government's own infrastructure**

The Cultural Infrastructure Fund (CIF) has developed procedures and instruments for an adequate organization of owner's maintenance, but lacks a full view of maintenance and renovation needs. The Agency for General Support Management (AGSM), responsible for assigning and following up maintenance contracts, provides the CIF with adequate information. However, both the CIF and the other parties involved lack sufficient insight in the progress of their maintenance files from application to execution. The administration and the AGSM recently took measures to improve cooperation.

### **Following up on government's own and subsidized infrastructure**

The AGSM follows up the implementation of large government infrastructure investment projects. The various parties involved can keep up with the progress of these projects through structurally organized consultations. Subsidized organizations have the main responsibility concerning the implementation of subsidized infrastructure projects. In these cases, the Team Subsidized Infrastructure (TSI) of the Agency for Internal Administration merely follows up the implementation. TSI and CIF exchange information mainly on an informal and ad hoc basis. It is unclear how the administration supervises the prohibition on a destination change for subsidized infrastructure. Also, the administration has no knowledge of any regulation on supervising the ongoing of maintenance for large subsidized infrastructure, although the subsidy regulation refers to this. Functional performances of completed investment projects and the impact on operating costs are not systematically evaluated. As a consequence administration and minister are not always informed about the degree in which objectives have been attained by the invested means.

### **Management and exploitation by third parties**

Freely provided government infrastructure often isn't authorized by parliament. Neither is the assignment to users backed up by objective selection procedures. Using conditions for a lot of buildings haven't been confirmed in writing. Existing contracts lack sufficient uniform provisions to encourage similarity of management and costs, as well as an efficient follow up of contracts. Sometimes regulations about accountability and supervision are missing, rendering it unclear how offences will be stated. Finally, the subsidy granted for the exploitation of certain buildings hasn't been objectively fixed.

### **Reaction of the ministers**

In a joined answer both the ministers of Culture and of Youth have announced multiple initiatives to meet with the recommendations of the Court. They stated that the administration will be ordered to implement policy choices and systematically inform them of any progress made.

### **Information for the press**

The Court of Audit exerts an external control on the financial operations of the Federal State, the Communities, the Regions and the provinces. It contributes to improving public governance by transmitting to the parliamentary assemblies, to the managers and to the audited services any useful and reliable information resulting from a contradictory examination. As a collateral body of the Parliament, the Court performs its missions independently of the authorities it controls.

The audit report on *Cultural and Youth Infrastructure* has been sent to the Flemish Parliament. The full version and this press release can be found on the Court's website: [www.courtfaudit.be](http://www.courtfaudit.be).