

Abstract

The Court of Audit examined the reporting on management contracts with Flemish agencies

The Court of Audit examined how six Flemish agencies reported on the implementation of their management contracts in 2008. As part of the reform « Beter Bestuurlijk Beleid » (better administrative management) set up by the Flemish administration, the management contract – as well as the reporting on its implementation - was presented as the instrument par excellence that would allow the Minister to steer and monitor the agencies he is responsible for. In most agencies, the first management contract covers the period from 2008 to 2010. The Court of Audit noted that although the preparation of management contracts and implementation reports requires significant efforts from the Flemish authorities, these tools are hardly used for steering, monitoring and justification purposes.

Six analyses

To perform its analysis, the Court of Audit selected six financially significant agencies, which are active in different policy areas, namely the « Agentschap voor Binnenlands Bestuur, ABB » (Agency for Internal Administration), the « Agentschap voor Onderwijsdiensten, AgOdi » (Agency for Educational Services), the « Vlaams Agentschap voor Personen met een Handicap, VAPH » (Flemish Agency for Persons with Disabilities), the « Vlaamse Maatschappij voor Sociaal Wonen, VMSW » (Flemish Social Housing Corporation), the « Vlaams Subsidieagentschap Werk en Sociale Economie, VSAWSE » (Flemish Agency for Subsidized Employment and Social Economy) and the « Agentschap Wegen en Verkeer, AWV » (Agency for Roads and Traffic). The Court of Audit equally examined the six management contracts and implementation reports relating to 2008 in order to make recommendations for enhancing the quality and usefulness of future implementation reports.

The investigation highlighted a number of similarities between the controlled agencies, to which special attention should be paid when preparing the next generation of management contracts.

Quality of management contracts

All management contracts followed the uniform structure prescribed by the Flemish government. However, most objectives were insufficiently defined in a specific, measurable and time-related way. Appropriate indicators, target values or zero measurements are also often lacking. In addition, each management contract sets out some objectives to which the agency can scarcely or never contribute. Therefore, the management contract can not constitute a steering instrument for such objectives. None of the management contracts made a clear and direct link between the objectives and the multi-year budget.

Quality of implementation reports

Most agencies' reports are detailed and descriptive, whereas they should be concise and backed-up with indicators. Furthermore, some agencies did not always base their reporting on indicators derived from their management contract. Similarly, reports were rarely more than an onset of self-assessment and they did not link achievements with invested means. As the appropriate reporting formats were not available, the agencies' reports on general data and objectives, such as staff and organization, were not uniform, comparable or combinable for consolidation. Consequently, the government could not have, as expected, an overview of its administration. By and large, the reliability of reported information was not guaranteed by a systematic internal control. Departments and strategic boards fulfilled their monitoring and evaluation function only in particular instances. The ministers concerned did not evaluate the implementation reports, and did not discuss them with the agencies. As they used to in the past, they monitored the agencies as part of a consultation at the level of their cabinet.

Political justification

Only a few policy domains have already taken initiatives to monitor their policy's effects in a structured way. Integrating the implementation reports, the political justification at the level of policy papers and the budgetary cycle is difficult to achieve since their respective schedules do not match. Moreover, the Flemish Parliament has not yet received from the ministers any information regarding the management contracts' implementation.

Conclusion

Using management contracts as tools for a remote steering of the agencies is for the time being compromised by the lack of clearly defined objectives, indicators and target values. As a result, the implementation reports are, in general, purely descriptive. Although the preparation of management contracts and implementation reports requires significant efforts from the Flemish authorities, these tools are hardly used for steering, monitoring and justification purposes.

Ministers' reaction

The Flemish Government's Minister-President as well as the Flemish ministers concerned admitted that the implementation of management contracts requires to get initiated into them and they commit themselves to taking the Court of Audit's recommendations into consideration when working out the second generation of management contracts.