

Abstract

Funding for music societies

The Court of Audit examined how structural subsidies were granted to music societies under the previous “music decree” and the new “arts decree”. It concluded that the procedure for determining subsidies lacks objectivity and is hardly ever justified. Moreover, the supervision is deficient. The arts decree solves some of the problems but creates some others. It should in any case be further specified.

Audit

The 1998 music decree introduced a regulation on structural, long term agreement and funding of music societies. The 2004 arts decree will govern future funding for all arts sectors. In 2005 18,4 million EUR were devoted to the implementation of the music decree, of which 16,5 million EUR went to subsidies for music societies. From 2003 to 2006, 76 music societies were accredited, and 75 of them were also awarded subsidies. The Court of Audit examined the structural accreditation and funding of music societies under the music decree. It also checked whether the arts decree offers solutions to the observed problems.

Accreditation

According to the Court of Audit the department did not apply the eligibility rules for accreditation in a correct way. Its control of applications was insufficient and no sanctions were taken against shortcomings. Besides, the accreditation rules do not always state clearly what kind of information is required. The department hardly ever provided any justification for its advice to the minister about the applicant’s functioning as a business. The music assessment committee, which advises the minister about the qualitative and artistic aspects of the applicant’s functioning, also failed to comply with its obligation to reason the advice given. The minister sent instructions to the department including additional accreditation criteria not provided for in the decree, thus exceeding his powers. Moreover, he did not provide any justification for his proposals to the Flemish Government. The latter, in turn, didn’t have enough elements to take reasoned accreditation decisions.

Determination of subsidies

The department and the assessment committee advised the minister to award subsidies without informing the societies of the subsidy amounts involved, in spite of the music decree provision giving them a right of reply. Moreover, the advice given didn’t offer any insight into the suggested subsidy amounts. The Court of Audit cannot but conclude that the amounts were generally determined in an arbitrary way. When determining the subsidies, the minister also used additional criteria without justification and failed to reason his decisions, thus making it impossible for the Flemish Government to fix a justified subsidy amount. The Government itself exceeded its powers by including in the funding decisions criteria for reserve growth of the music societies without any legal basis and by increasing in the meantime the overall funding amount for most music societies.

Control

The delay in submitting updated policy plans and activities reports to the department generally carried no consequences for music societies. Several of them did not apply the accounting legislation correctly, thus complicating effective control of some of the funding criteria. The department hardly checked the compliance with some accreditation and funding criteria or even omitted to do so. In some cases the department took measures that were within the Flemish Government's or the minister's competence, such as withholding part of the subsidy, enforcing austerity plans or granting departure from the reserve funds rules. In violation of the music decree, the assessment committee never gave out advice about compliance with qualitative and artistic criteria.

Arts decree

The arts decree solves some of the problems. It notably sets down standards for reserve funds. However, the new regulation also leaves several problems untouched or even creates new ones, due particularly to vague provisions and unspecified terminology. It is unclear when and how the department has to provide its reasoned advices. The arts decree does not any longer state explicitly that preliminary draft decisions must be fully reasoned, whereas the applicants are obliged to do so when reacting to the preliminary draft. It does not appear clearly whether the assessment committee is still required every year to provide advice about the artistic content of the societies' functioning. However, that advice is indispensable for a thorough control of the compliance with funding criteria. The Court of Audit comes to the conclusion that legal safety and equality will not be guaranteed for the applicants unless the regulation is amended and an objective system for determining funding is set up.

Minister's response

The Flemish Culture Minister's reply on several issues of the report was mostly in line with his department's previous comments. On the whole, the minister stated that he would abide by the Court of Audit's recommendations when applying the regulation on the basis of a "customer-oriented" approach.