

SUMMARY

Subsidization of centres providing family planning services and counselling to couples

The Court of Audit examined the way planning and marriage and family counselling centres are subsidized in the Walloon Region.

These centres are funded through a complex two-tier system: first, each centre is linked to a particular category and, subsequently, the amount of subsidies is calculated for each type of eligible expenditure.

From 2004 to 2009, granted subsidies increased by nearly 50 %, whereas budget appropriations kept rising in 2010 and 2011, and amounted to 11 million euros in 2011.

As the number of centres remained fairly stable (between 68 and 71), the growth of credits used to finance them is due, among other causes, to an increased number of reported activities and to a revaluation of some activities, which affects the category they belong to, and therefore also the amount of subsidies.

The number of activities reported by the centres, from 192,385 in 2004 to 208,786 in 2009, rose by almost 9 %, but in clearly smaller proportions than the budget appropriations earmarked during the same period for funding this policy, which amounted to nearly 50 %. Basing the subsidizing system on categories might induce the centres to develop activities through which they may apply to a higher category and so get an increasing amount of subsidies.

This budget expansion is also partly due to authorized changes in budget appropriations between different types of subsidies, as a result of which a maximum use is made of subsidy limits granted to the centres, especially regarding personnel costs or payment of services provided by self-employed workers.

Such a mechanism tends to become self-reinforcing, as the subsidized staff provides services which are taken into account to determine the approval category and consequently the amount of subsidies granted.

The Court of Audit also noted that the controls, as they are currently carried out by the administration, are not very effective and efficient. The verification of activities determining the category is mainly based on declarative elements. This administrative control is cumbersome and inadequate, especially with regard to the few corrections and the absence of category downgrading. Besides, the Court found that the examination of supporting documents is rather lenient.

As some service providers declare activities in the same centre in an employed and self-employed capacity, the Court of Audit recommends conducting a particular investigation in order to determine whether or not these service providers are to be considered as so-called "false self-employed".

The Court points out that inspections are not carried out according to a planning based on risk analysis and that the staff assigned to this task is insufficient. The impact of these

inspections is limited as little use is made of inspection reports, which are not always sent to the concerned centres.

Control deficiencies also result from imprecise rules which are subject to interpretation.

The centres do not respect their obligations regarding the production of annual accounts, an essential element to ensure that they have set up reliable instruments of financial management. The Court noted that no sanction was imposed on centres that did not produce their accounts in the manner prescribed by regulation.

It also established that the administration considers its action more as a supporting role for the sector than as monitoring the proper use of public funds, and does not evaluate the adequacy of the centres' activity with the needs of the people. In the Court's view, advisory and control functions being difficult to combine, there is a need to preserve the administration's independence.

In view of its cost and its limited impact, joined to the fact that the available tools are difficult to check, a reshaping of the system is needed, so that on-the-spot checks and inspections can play a greater part.

The Court of Audit advocates a less complex financing system, e.g. on the basis of a lump sum system depending on the category of activities. In such a case, the checks would aim to establish whether the services declared by the centres were actually provided.

In conclusion, the Court of Audit recommends devoting a thorough reflection, based on the real needs of target audiences, to the objectives of the funding policy in order to develop a simpler, more effective and efficient system, which will comply with regulations on granting and controlling subsidies.