

## PRESS RELEASE

March 2020

### Report to the Flemish Parliament

#### *Agency for Integration: efficiency gains and restructuring*

*The Court examined the reorganization of the integration sector. In 2015, existing organizations were merged into the new Agency for Integration. The Court found that, despite increasing subsidies, the predicted efficiency gains from the reorganization were not achieved, among other things due to unrealistic assumptions in the financial plan. Moreover, the funding model of the agency was based on a constant budget, that was not adjusted to the strongly fluctuating workload. The restructuring costs are not the estimated 5.5 million euros, but mounted to 12.5 million euros.*

#### **Audit**

With a draft memorandum in 2011, the Flemish Government initiated a reorganization of the integration sector. This reorganization would increase the sector's efficiency and effectiveness. Part of the reorganization was the merging of existing subsidized organizations (reception offices, integration centers and social interpretation and translation services) into the new Agency for Integration (AgI). In 2015, fifteen organizations merged into the AgI, followed by five "Dutch Language Houses". The Court checked whether the agency lived up to the expected efficiency gains. It also examined the substantiation of the restructuring AgI announced on October 2, 2017.

#### **Efficiency gains**

AgI did not achieve the predicted efficiency gains. The 2012 financial plan expected a cumulative business profit of 2.9 million euros in the first three financial years. Over the years 2015-2017, however, AgI suffered a business loss of 7.4 million euros, despite increasing subsidies. The assumptions in the financial plan proved too optimistic and incomplete. In addition, unforeseen evolutions had a significant impact on the operational and financial functioning of AgI, such as the postponement of staff reduction and the extra costs associated with the harmonization of working conditions and the introduction of new job qualifications.

AgI experienced a highly variable workload in recent years. The numbers of persons to be integrated, both refugees and others, fluctuated strongly. The financing model of AgI is not adapted to such fluctuations.

### Restructuring

AgI based its restructuring on the available budget, instead of on an estimate of actual personnel needs. The agency calculated its basic grant could finance up to 537 full-time employees. During the asylum crisis, AgI hired temporary employees using contracts for an indefinite period of time, which it had to cancel afterwards and for which it had to pay severance payments. Moreover, restructuring costs grew considerably higher than what AgI had initially stated to parliament. Over the 2018-2021 period, these costs will amount to 12.5 million euros, instead of the one-off amount of 5.5 million euros in 2018.

### Response of the minister

The Flemish Minister for Civic Integration responded on 14 February 2020, stating he had no comments on the report.

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### 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 the *Agency for Integration and Integration: efficiency gains and restructuring* has been sent to the Flemish Parliament. The full version and this press release can be found on the Court's website: [www.courtofaudit.be](http://www.courtofaudit.be).