

Abstract

Dno: 59/54/02

ESF financing granted by the provincial state offices for development and education projects

The provincial state offices have granted ESF financing for development and education projects to implement the EU's structural fund programmes (Objective 1, 2 and 3 programmes) since 2000. For example, in 2001 the Ministry of Education authorized the provincial state offices to grant a total of about FIM 420 million (ESF + state financing). Recipients of financing have included universities, polytechnics, municipalities, joint authorities and private organizations.

The goal of the present audit was to determine whether the provincial state offices have granted ESF financing according to regulations and guidelines.

The audit indicated that financing has been supplied for appropriate purposes. It was not always clear, however, whether the financing of a specific project was the responsibility of the provincial state office or some other authority. Cooperation among authorities is typical of ESF projects.

Deficiencies were noted in the monitoring system for ESF projects in the Ministry of Education's administrative sector and its connections with other systems especially in 2000 and 2001. This resulted in additional work for different authorities.

The Ministry of Labour and the Ministry of Education have issued separate guidelines concerning ESF projects, which has caused confusion and different interpretations at the practical level.

The time required to process applications has been long, especially in 2000 and 2001, when activities got under way. In some cases it has taken over a year from the application stage to the first payment.

The projects which have received financing have not always been easy to place in different programme categories and sets of measures. ESF projects financed by the Employment and Economic Development Centres' labour market departments and the provincial state offices do not always differ clearly from each other. This has caused uncertainty among applicants and resulted in additional work for authorities.

The provincial state offices have also applied different interpretations concerning approvable costs and other aspects of financing. Deficiencies and differences in procedures were also observed in project monitoring, control and reporting. In the opinion of the State Audit Office, these problems are due at least partly to the different guidelines issued by the Ministry of Labour and the Ministry of Education as well as deficiencies in the Ministry of Education's written instructions.

Project monitoring and evaluation procedures have varied considerably and evaluation information up to now has been disjointed. The provincial state offices have not focused special attention on projects' employment effects.