



REPUBLIC OF SLOVENIA  
**COURT OF AUDIT**

# AUDIT REPORT

## **Efficiency of the management system pertaining to public institutes**

**Performance audit**

Audit period: 1 January 2016 to 31 December 2018

# Public institutes

Education and sport

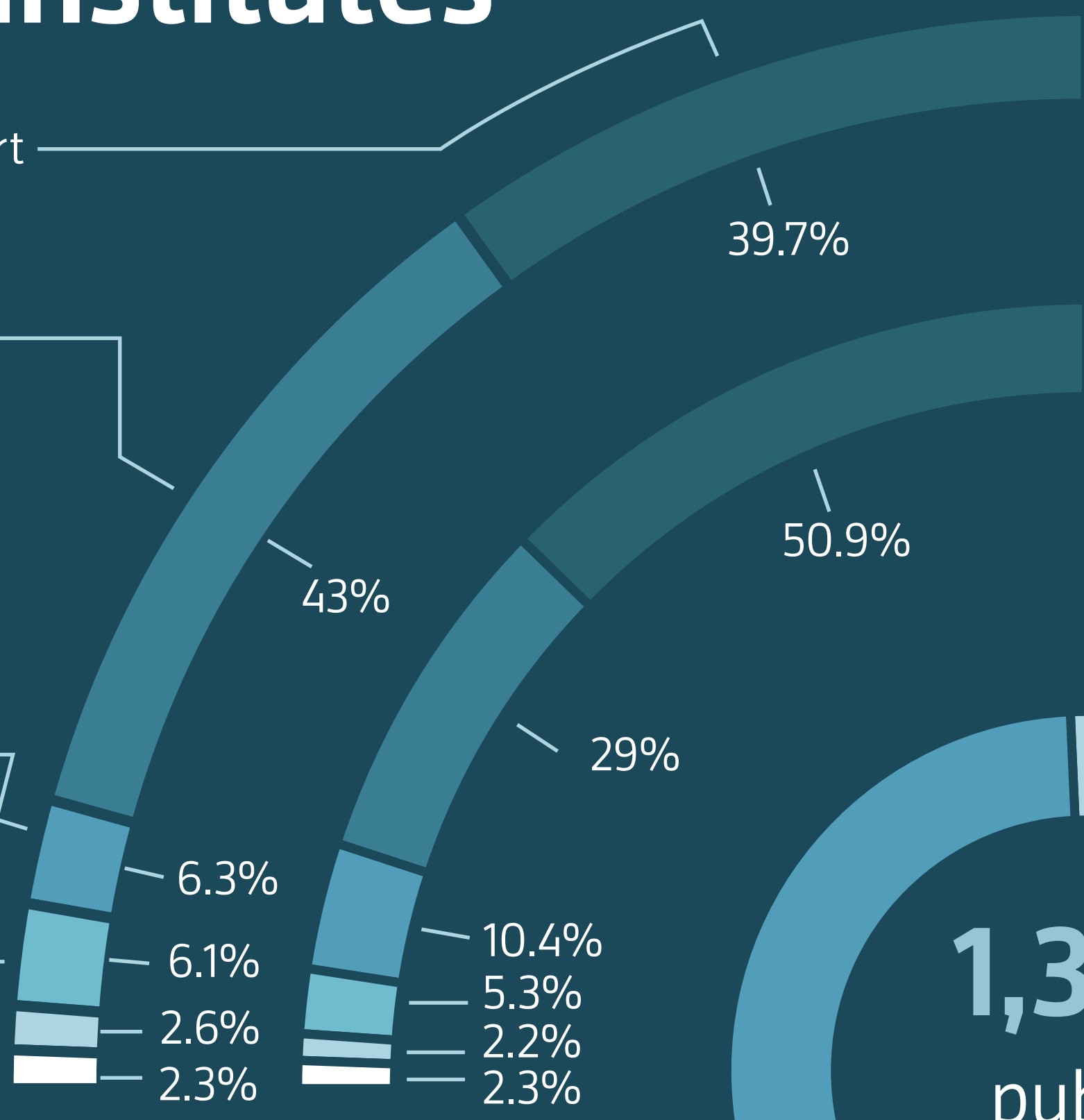
Healthcare

Social care and security

Culture

Research

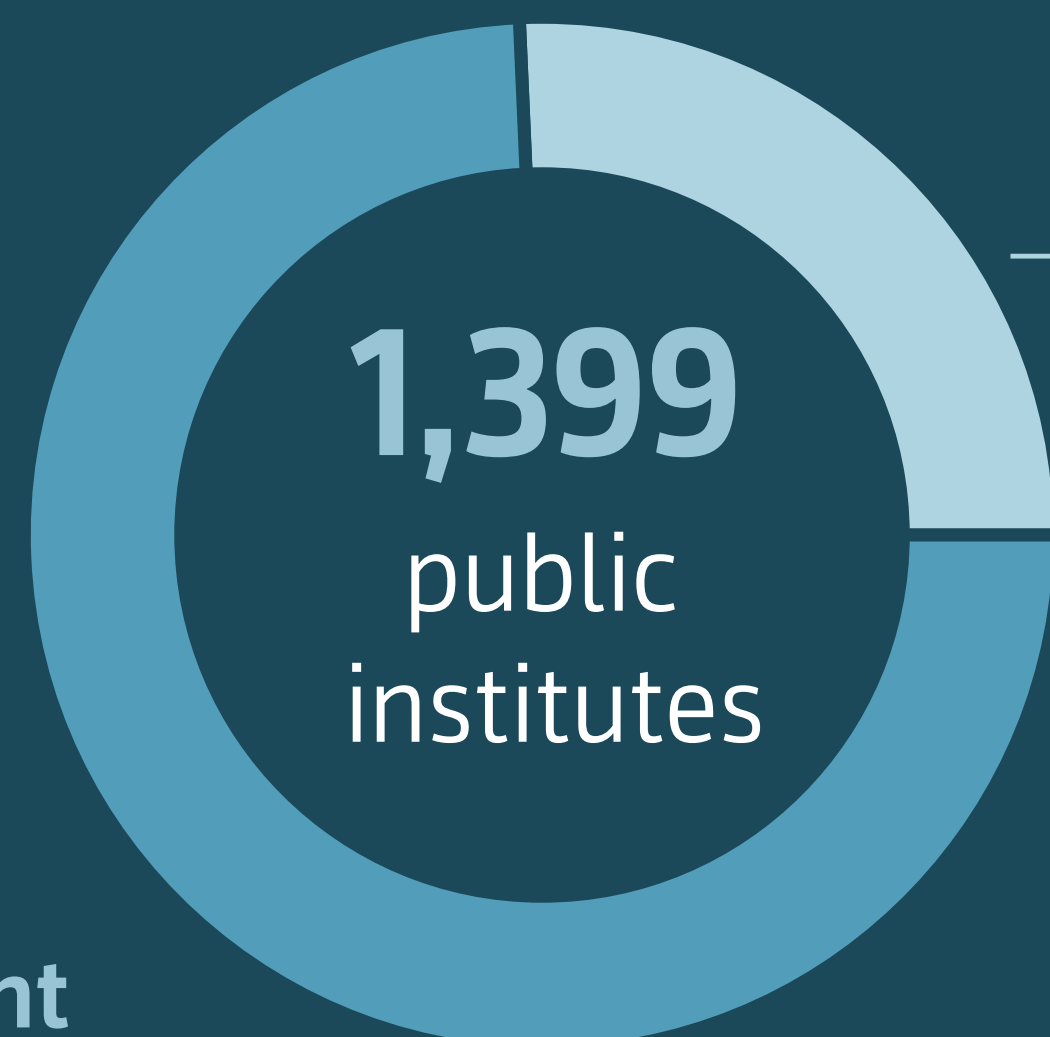
Other fields



€ 5.5 billion total revenue



133,000 employees



1,399 public institutes

This audit is to encourage the necessary changes in the management system pertaining to public institutes

\*data as of 31 December 2018

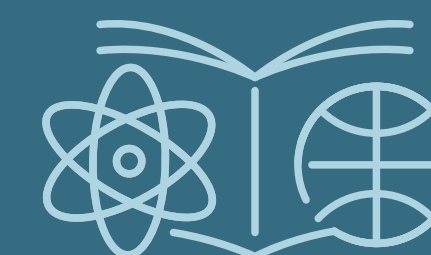
## AUDITEES



Government of the Republic of Slovenia



Ministry of Labour, Family, Social Affairs and Equal Opportunities



Ministry of Education, Science and Sport



Ministry of Culture



Ministry of Health

# What is the council of the institute?

It is the managing authority of the institute, consisting of:

REPRESENTATIVES  
OF THE FOUNDER



REPRESENTATIVES  
OF THE EMPLOYEES



REPRESENTATIVES OF THE USERS  
RESPECTIVELY THE INTERESTED PUBLIC



## Most relevant powers and competences:



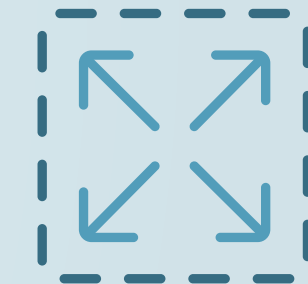
passing the statute and  
other general acts of  
the institute



adopting the work and  
development programme of the  
institute and monitoring the  
implementation thereof



preparing the financial plan  
and adopting the annual  
financial statement of the  
institute



proposing changes  
or extension of activities  
to the founder



appointing and dismissing the director



## The role of the council not defined, its powers not laid down uniformly

- the importance of managing, powers, objectives and purpose **not defined**

- clear definition of powers of the council laid down only in acts establishing the institutes, their statutes and rules what **causes inconsistencies in the definitions**

- the ratio between the number of members of the council and the representatives of different stakeholders **mostly supports the public interest**, except in the following fields

- **education and training**  
(dominant influence of employees)
- **development activities**  
(neither side has the majority)



## Responsibilities of the council and its members not defined

- consequences **not defined**



- the question of responsibility relevance and dispersion of responsibility to different stakeholders

## Inconsistencies in the selection and education of members of the council, the representatives of the founder

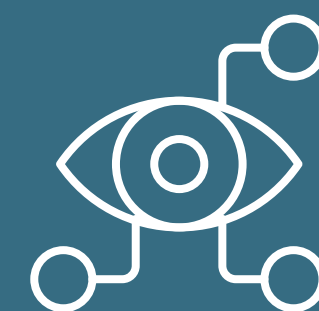
- the selection procedure of members of the council is **defined only in the field of healthcare**
- measures, conditions, criteria and limitations pertaining to the appointment of the members of the council, as well as education and training according to fields are **defined differently**
- **no uniform guidelines** for selecting potential candidates; appointing competent and motivated members is thus only partially ensured





## Bases for the council's decision-making

- ✓ mandates are **defined**
- quorum and majority **differ among fields**
- consequences of not attending the meetings of the council **rarely defined**
- **only acts in the field of healthcare** refer to the application of standards of conduct and due diligence



## Control over the council's operations

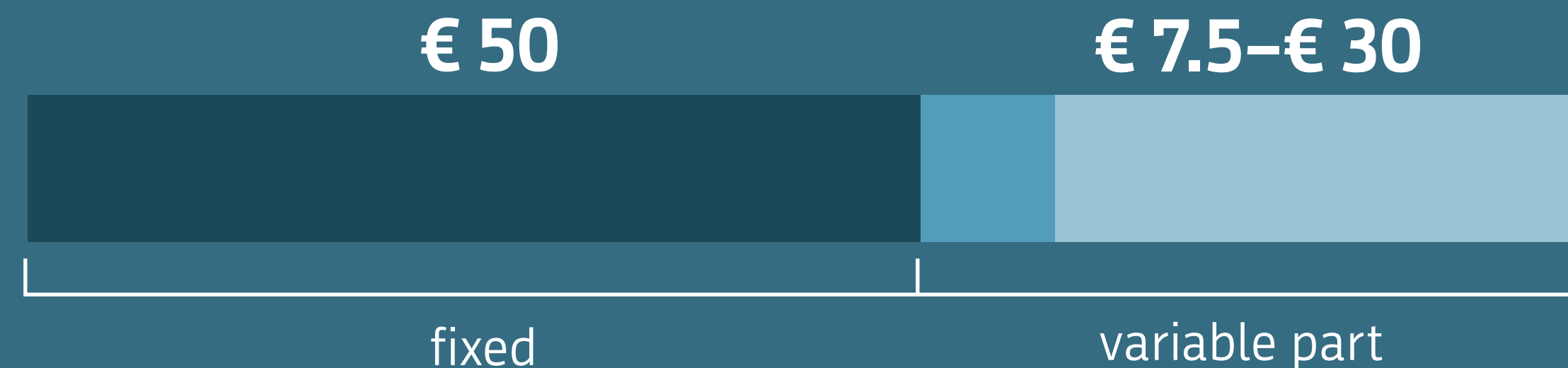
- ministries mostly **failed to set up the system of monitoring the implementation** of the prescribed tasks of the council and of submission of the request for granting the ministry's or the founder's consent; control over the implementation of the council's prescribed tasks is **only indirect**
- mutual cooperation of the representatives of the founder in the councils and the founder is not fully and uniformly organised, only in the field of healthcare it is better organised and is implemented, while in the field of social security it is defined but not implemented



## Evaluation of work carried out by the council's members

- is defined but **excludes some public institutes** without explanation

### → ATTENDANCE FEE





# OPINION OF THE COURT OF AUDIT

- Government of the Republic of Slovenia, Ministry of Culture, Ministry of Health, Ministry of Labour, Family, Social Affairs and Equal Opportunities, Ministry of Education, Science and Sport were **partially efficient** in providing efficient management system of the public institutes.



## Demands

The Government of the Republic of Slovenia must among others:

- clarify the procedures** of selecting candidates for the representatives of the founder in the councils **and define conditions, measures, criteria and limitations**

 **define standards of ethics** and codes of conduct and cooperation with the representatives of the founder in the councils



**define the manner of monitoring** the implementation of the council's tasks



**review the appropriateness of the current payment system** for the members of the council and explain the exceptions

The Ministry of Labour, Family, Social Affairs and Equal Opportunities must:



propose new members of the council in a **timely manner**

## Recommendations

All auditees were proposed several recommendations to improve the management system of public institutes.