



ÁLLAMI
SZÁMVEVŐSZÉK

SUMMARY

**of the Audit on Regional Training Centres
(Türr István Training and Research Institute) (12103)**

Objective and scope of the audit

The objective of the audit was to evaluate whether the 2011 financial statement of Türr István Institute shows us a true picture of the financial and property status, and to decide whether the training centres (called Türr István Institute from 1 July 2011) – through improving the efficiency and effectiveness of their activity – contributed to the fulfilment of the requirements of the changing labour market in order to increase employment.

Main findings

The training centres did not work out individual long-term strategies according to their training objectives between 2007 and 2010. In these years, the trainings included in the framework agreements concluded with the labour centres were financed from the amount of the Labour Market Fund allocated for trainings. Therefore, during the elaboration of the training plans, rather the aim to account for expenses as part of the amount available for training purposes than employment policy aims was taken into account. The existing infrastructure of the training centres did not facilitate the flexible adaptation to the market. In the years 2007-2010, more than 60% of their training activity took place at external locations with the participation of external trainers and institutions. In order to accomplish their tasks, they employed outside trainers in an average of more than 85.5% of the cases between 2007 and 2010.

The evaluation system regarding the trainings of the training centres was established for the years 2007-2010, however, it was not suitable for measuring performances, as the criteria of efficiency and effectiveness for the trainings were not set. Therefore the evaluation system could not provide relevant information to support neither employment policy decisions, nor the evaluation of the labour market situation or the regional differences. The performance of the professional tasks of training centres was neither efficient, nor effective from 2007 to 2010, therefore it did not facilitate the implementation of employment policy objectives.

The organisational and legislative changes in 2010-2011 had a significant effect both on the ministry control and the operation of the institutions. The autonomy of the training centres ceased on 1 July 2011, and a unified Türr István Institute was established on the basis thereof. The training centres and

later the Türr István Institute was controlled by the Ministry of Public Administration and Justice from 19 February 2011 and then by the Ministry of Human Resources from 14 May 2012. The tasks of the Türr István Institute in the field of public employment belong to the competences and duties of the Minister of the Interior, while they belong to the Minister of National Economy in the fields of housing management and adult training. However, the clear allocation of tasks between ministries is not regulated, which can lead to a parallel task performance.

In 2011, the Türr István Institute did not elaborate an individual long-term strategy according to the objectives related to trainings and social convergence, also it did not set the associated short-term and long-term goals. It did not work out the uniform criteria and indicators for the evaluation of the performance of professional tasks. The head of the institute did not assess the expedience of the existing tangible assets and human resources in accordance with the new tasks of social convergence, despite the fact that the number of the trainings carried out by the institute decreased significantly in 2011. This resulted in an unused capacity in terms of the available real properties and human resources.

In the course of the review of the 2011 financial statements of the Türr István Institute, the State Audit Office of Hungary found that the financial statements showed a true and fair view of the financial and property status of the budgetary institution. The audit revealed deficiencies regarding the countersigning of commitments and the statement of the committed residue, but those did not affect the reliability of the financial statements.

Recommendations

We recommended the Minister of Human Resources to discuss the public employment, housing management and adult training tasks of the Türr István Institute with the Minister of the Interior and the Minister of National Economy in order to avoid parallel task performance and to accomplish government goals in a coordinated way.

We recommended the General Director of Türr István Institute to elaborate a set of criteria and indicators which facilitate the development of the institutional strategy, long-term and short-term objectives, as well as the measurement and evaluation of the professional activity. In the interest of the efficient and effective utilisation of public funds and the application of employment policy aspects, we have also recommended to take more into consideration labour market needs in the course of performing training tasks, develop a monitoring system providing information concerning the employment of the people participated in trainings, reveal the reasons for the inefficient training activity between 2007 and 2010, assess the personal and material conditions necessary for task performance and utilize the existing assets according to the new tasks.

Beyond these, we drew the General Director's attention to the regularity of financial management and the full observance of the legal regulations.