



Concluding management letter

on the

ESF federal programme "Promoting vocational education
for sustainable development"

Budget chapter 1602, title 686 06

addressed to the
Federal Ministry for the Environment, Nature
Conservation and Nuclear Safety

This management letter comprises the concluding audit findings issued by the German SAI in accordance with Article 96 para 4 clause 1 Federal Budget Code. A decision on its disclosure is reserved to the German SAI.

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Potsdam, 4 November 2019

0 Executive summary

Since 2015, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety¹ (Ministry) has used funds of the European Social Fund (ESF) and the federal government to support the “Promoting vocational education for sustainable development (BBNE)” programme. The programme funds training activities on sustainability. The Ministry entrusted the Federal Office of Administration (Office) with implementing the programme.

We looked into the programme’s design and implementation during the first funding period from 2015 to 2018. Paying heed to the comments of the Ministry and the Office, we confirm the following key findings as final:

- 0.1 The objectives set for the programme have not been adequately defined. Furthermore, the Ministry defined objectives at programme level that go beyond both the ESF’s complex target structure and the government’s ESF operational programme, with such objectives not being consistent with superordinate objectives. The Ministry’s line of action makes the target structure of the programme even more unclear by determining two fields of action within the programme with each having different sets of activities and objectives. The Ministry partly acknowledged the shortcomings we detected in terms of the programme’s target structure. The Ministry stated that it had already implemented our recommendations in the guideline for the second funding period. Speaking out against the Ministry’s stance, we reaffirm our view that the Ministry should also rely on qualitative indicators in assessing programme target achievement (sub-paragraph 2 of this final audit letter).
- 0.2 We criticised that training contents and target groups of funded projects did not always bear upon the programme’s fields of action. The Ministry did not concur with our concern we expressed as to individual cases. Nevertheless, the Ministry pledged to urge compliance with key requirements of the funding guideline in a more rigorous and formalised way when it comes to implementing projects (sub-paragraph 3).

¹ Between 2014 and 2017: Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety; hereinafter the “Ministry”.

- 0.3 Where grantees procured higher-value assets for projects, only depreciations that fall within the funding period were eligible for grant funding pursuant to the Office's funding principles. We criticised that in some cases, the Office, against this rule, accepted the total costs as being eligible for grant funding. In some cases, excess amounts hit €80 000. In principle, the Ministry shared our view. However, the Ministry added that, when it comes to high-value assets susceptible to excessive wear and tear over time that had been procured exclusively for the projects, it engaged with the Office and the grantees to implement a special procedure. This procedure governs the depreciations recognisable in such cases and the further use of the assets after the expiry of the project term or their sale and the payment of the proceeds to the government. We expect the Ministry to provide examples for such arrangements (sub-paragraph 4.1).
- 0.4 In one case, the Office recognised indirect expenditures on equipment for which grantees received a lump-sum payment as own contributions, thereby ignoring its funding principles. The Ministry pledged to comply with funding legislation in such cases in future in order to avoid duplication of grants (sub-paragraph 4.2).
- 0.5 The Ministry endorsed the discretionary awarding of a contract by a grantee although the contract value exceeded the applicable threshold. The Ministry needs to wield greater oversight over the Office to verify compliance with federal procurement regulations and to thus ensure transparency and value for money in procurement (sub-paragraph 4.3).