Audit Report

20/22

State funds for investments in social services

The audit was included in the audit plan of the Supreme Audit Office (SAO) for 2020 under number 20/22. The audit was headed and the Audit Report drawn up by SAO member Mr. Jan Vedral.

The aim of the audit was to examine whether the state funds spent to support investments in the field of social services contributed to the fulfilment of the set objectives.

The audit was carried out at the audited entities between September 2020 and April 2021.

The audited period was 2017-2019; both the previous and subsequent periods were also considered for contextual reasons.

Audited entities:
Ministry of Labour and Social Affairs (hereinafter also "MoLSA"); Central Bohemia Region, Prague; Vysočina Region, Jihlava; Hradec Králové Region, Hradec Králové; City of Pardubice; City of Pacov; City of Sušice; City of Planá nad Lužnicí; Ledax o.p.s., České Budějovice; Archdiocesan Caritas Prague.

The ***Board of the SAO*** at its 12th meeting held on 19 July 2021,

approved, by Resolution No. 12/XII/2021

the ***Audit Report*** as follows:

State funds for investments in social services

CZK 3.393 billion
Total allocation of the Programme 113 310[1]

CZK 2.339 billion
Spending of funds under Programme 113 310 in the period 2007 to 2020

68.95%
Share of funds spent under Programme 113 310 between 2007 and 2020 in the total allocation

CZK 2.501 billion
Total allocation of Programme 013 310[2]

CZK 0.416 billion
Spending of funds under Programme 013 310 in the period 2017 to 2020

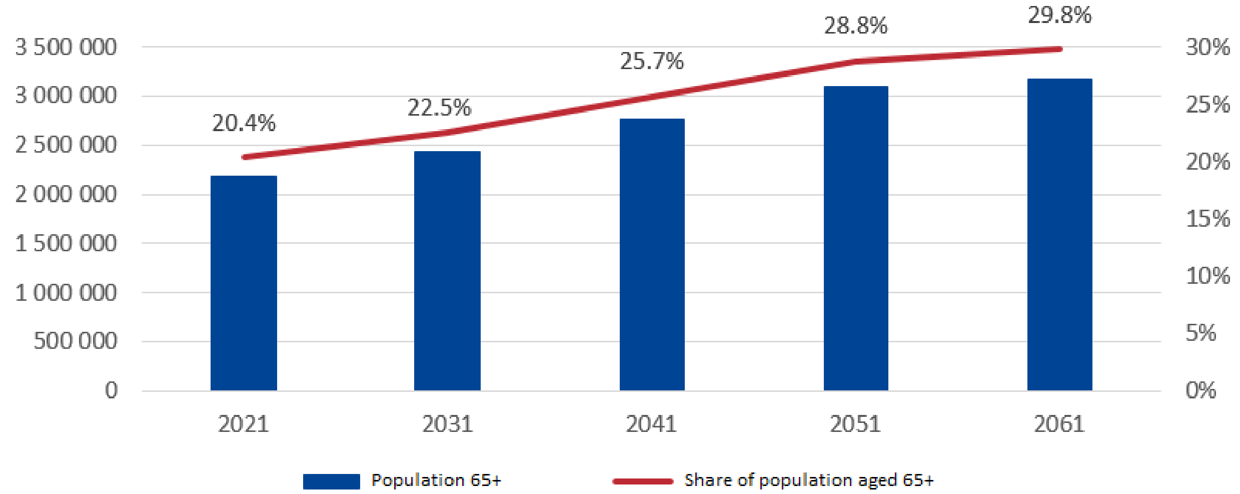
16.63%
Share of funds spent under Programme 013 310 between 2017 and 2020 in the total allocation

72,110
Total number of beds of selected residential services[3] in the Czech Republic in 2016

91,640[4]
Number of unmet applications for selected residential services in the Czech Republic as at 31 December 2016

605 beds
Target of Programme 013 310 for the number of newly implemented beds of selected residential services for the period 2017 to 2022

Forecast of the number and share of the population aged 65+ in the Czech Republic



Source: CSO - *Population Projections of the Czech Republic - 2018-2100*, Table 4 *Medium variant: Indicators of age composition (as at 1 January), population movement, assumptions*; own analysis of the SAO.

[1] Programme 113 310 *Development and renewal of the material and technical base of social services* - implemented since 2007.

[2] Programme 013 310 *Development and renewal of the material and technical base of social services* – implemented since 2017.

[3] The selected residential social services comprise retirement homes, homes with special regime, homes for people with disabilities, sheltered housing and weekly residential homes.

[4] The number of unmet applications does not equal the number of people who have not been provided with the social services in question, as one person may submit multiple applications and the applicant may be listed as a person for a longer period, it may not be clear whether he/she still needs the service or has already been provided with it elsewhere.

According to the CSO, the most significant feature of demographic development in the coming decades will be the growing share of the population aged 65+ and the increasing number of people aged 65+, a group that represents a significant part of the clients of social services.

I. Summary and Evaluation

The SAO audited the provision and use of funds spent between 2017 and 2019 to support investments in social services as part of state budget chapter 313 – *Ministry of Labour and Social Affairs* (hereinafter also "Chapter 313 – MoLSA"). Programmes aimed at supporting the development and renewal of the material and technical base of social services facilities – Programme 113 310[5] and Programme 013 310[6] were subject to the audit. It was examined whether the state budget funds for the support of the development and renewal of the material and technical base of social services were spent in accordance with applicable laws and regulations and whether they contributed to the fulfilment of the set objectives in the field of investment support for social services.

The funds for the 12 operations audited contributed to the achievement of the stated objectives of the programmes. However, the audit found shortcomings at the MoLSA. The MoLSA did not proceed in accordance with Act No. 320/2001 Coll.[7] and Act No. 218/2000 Coll.[8] The audit found that the MoLSA, among other things, provided a beneficiary with an amount of CZK 1.47 million higher than the amount which, according to the *Subsidy Decision*, the beneficiary was entitled to. Some of the selected beneficiaries showed shortcomings in terms of compliance with the conditions under which they were granted subsidies, as well as deficiencies in the area of public procurement.

The implementation period of both audited programmes was extended by the MoLSA until the end of 2022, while for Programme 013 310, the final values of objectives and indicators and the time limit for their achievement were not adjusted. The MoLSA has set such rules that for two of the six objectives of Programme 013 310, the MoLSA will not be able to evaluate the effectiveness of the funds provided because it has not set any impact indicators. One of the two objectives is not being met at all. For the other two objectives, the MoLSA set the target values of the indicators too low. In 2016, the total capacity of selected residential services in the Czech Republic was 72,110 beds, and one of the objectives of the programme was to build a total of 605 new beds between 2016 and 2020 to strengthen the total capacity. Programme 013 310 thus aimed to create approximately 1% of new beds. The set target did not correspond to the actual need for the demand for new beds in residential social services, to the expected demographic development or to the requirements of social service providers. The number of unmet applications for residential social services was 91,640.as at 31 December 2016.

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[5] Programme 113 310 *Development and renewal of the material and technical base of social services* - implementation from 1 June 2007 to 31 December 2013, subsequently postponed three times until 31 December 2022.

[6] Programme 013 310 *Development and renewal of the material and technical base of social services* - implementation from 1 February 2017 to 31 December 2020, subsequently the deadline postponed until 31 December 2022.

[7] Act No. 320/2001 Coll., on financial control in public administration and on amendment to certain Acts (Act on Financial Control).

[8] Act No. 218/2000 Coll., on budgetary rules and amending certain related acts (Budgetary Rules).

The evaluation is based on the following deficiencies:

1. The MoLSA has set five objectives under Programme 113 310, for the achievement of which it has set indicators. Four of the five indicators were met in November 2020, while one indicator was only met for 36.56%. In Programme 013 310, the MoLSA has defined the achievement of six objectives and set target values of output indicators for each of them. Considering the development of the implementation of Programme 013 310 so far, two indicators can be expected to many times exceed their target value. Conversely, three indicators are at the risk of not being met, and one of them is not being met at all.
2. In setting the objectives of Programme 013 310, the MoLSA used strategic documents as its starting point. The MoLSA has not set impact indicators for the two objectives, so it will not be able to evaluate their effectiveness, i.e., to assess the degree of fulfilment of the objective and to demonstrate whether the objective has been achieved. The set sustainability period of the assets acquired under the two objectives did not correspond to the economic lifetime of the assets. This inconsistency was corrected by the MoLSA in 2019 when Programme 013 310 documentation was updated. Since the update of the documentation of Programme 013 310, the MoLSA has allowed the use of funds for the acquisition and renovation of small assets, which is not in accordance with Act No. 218/2000 Coll. The MoLSA has extended the implementation of Programme 013 310 by two years until the end of 2022, without adjusting, with regard to the ongoing implementation, the set targets and indicator values and the deadline for their achievement.
3. The MoLSA started to introduce some procedures for evaluating subsidy applications for Programme 113 310 and to set evaluation criteria only in 2016. For Programme 013 310, the rules for the evaluation of subsidy applications were set, but the selection process for these applications by the MoLSA grant committee was flawed.

   The MoLSA reimbursed the maximum amount of the subsidy for two investments at a time when the financing of the investments had not yet been completed and the actual amount of the total investment costs was not known. As a result, for one investment, where saving of total costs was achieved, the MoLSA paid a subsidy which was by CZK 1.47 million more than the beneficiary was entitled to according to the management document.

   The SAO audit also found deficiencies in the management control of the MoLSA in the process of administration of all 12 audited investments.
4. Two of the nine beneficiaries examined were found to be in breach of the conditions under which they were granted the subsidy. The SAO assessed the identified shortcomings as indicating a breach of budgetary discipline in the amount of CZK 240 thousand. Furthermore, the SAO audit of the beneficiaries found partial deficiencies in the procurement and in the submission of documentation to the programme administrator.

II. Information on the Audited Area

Through social services, assistance to and support of people for the purpose of social inclusion or prevention of social exclusion is granted. The provision of social services is governed by the Social Services Act [9]and the implementing regulation.[10]

By law[11], the **Ministry of Labour and Social Affairs** is the central state administration body in the sphere of social policy of the state, among other things. The MoLSA is the administrator of Chapter 313 – MoLSA[12] and the administrator of programmes to support the development and renewal of the material and technical base of social services facilities in that chapter of the state budget.

Programme 113 310 *Development and renewal of the material and technical base of social services* and Programme 013 310 *Development and renewal of the material and technical base of social services* are aimed at supporting the development and renewal of the material and technical base of social services facilities defined by the Social Services Act. State budget funds are provided in the form of subsidies.

Between 2017 and 2020, an amount of CZK 1,101.12 million was drawn from the state budget under Programme 113 310 and Programme 013 310 to support investments in the field of social services.

Table 1: Summary of the use of funds under Programmes 113 310 and 013 310 (in CZK)

Programme	Year				
	2017	2018	2019	2020	Total
113 310	233,529,348.27	389,830,288,83	61,820,291.41	0.00	685,179,928,51
013 310	95,652,75	80,410,989.71	99,275,207.84	236,160,052.09	415,941,902.39
Total	**233,625,001.02**	**470,241,278.54**	**161,095,499.25**	**236,160,052.09**	**1,101,121,830.90**

Source: closing accounts of chapter 313 – *Ministry of Labour and Social Affairs* for the years 2017, 2018, 2019 and 2020.

Programme 113 310

Programme 113 310 is intended for the renewal and acquisition of movable and immovable property, the addition and replacement of equipment and support for the acquisition and renewal of social services facilities. The implementation of the programme has been underway since 2007 and according to the seventh update of the programme documentation submitted to the Ministry of Finance ("MoF") on 6 February 2020, the implementation is set to be completed by the end of 2022.

Participants in the programme may include public companies, limited liability companies, joint-stock companies, institutes, associations, churches and religious societies, registered religious legal entities, public-benefit corporations, municipalities, regions, city districts and voluntary associations of municipalities.

[9] Act No. 108/2006 Coll., on Social Services.

[10] Regulation No. 505/2006 Coll., implementing some provisions of the Social Services Act.

[11] Act of the Czech National Council No. 2/1969 Coll., on the Establishment of Ministries and Other Central Bodies of the State Administration of the Czech Republic.

[12] Regulation No. 323/2002 Coll., on the budget structure.

Five substantive objectives of the programme were set out in the programme documentation:

Goal No.1: *Increasing the capacity of residential social service facilities in accordance with medium-term plans for the development of social services,*
Goal No.2: *Supporting the improvement of residential social care services,*
Goal No.3: *Mobility support,*
Goal No.4: *Support for the improvement and availability of social prevention services,*
Goal No.5: *Reducing the energy consumption of residential social service facilities.*

The amount of the state budget funds in the financing of the programme is CZK 3,392.70 million. Since the fifth update of the documentation of programme 113 310 (submitted to the Ministry of Finance on 1 December 2015), the maximum amount of support per investment is set at CZK 50 million. The last call for applications for subsidies from programme 113 310 was announced by the MoLSA in December 2015. In the following period, only the implementation of investments selected for support from previously announced calls was carried out. From the beginning of the implementation until the end of 2020, the amount of CZK 2,339.15 million was used from the state budget to finance programme 113 310. This represents 68.95% of the total allocated amount of the programme.

Programme 013 310

The main objective of Programme 013 310 is investment in social service facilities in accordance with the Social Services Act, which may help provide social services in proper quality with the emphasis on respecting human rights and basic human freedoms, and the support of the development of the social services facilities system for those in need in the context of social demand.

The documentation of the programme was approved by the MoF in December 2016, and MoF set the amount of state budget funds for financing the programme at CZK 2,500.50 million. The implementation of the programme has been underway since 1 February 2017 and the end of implementation has been set for 31 December 2022.

Participants in the programme may include public companies, limited liability companies, joint-stock companies, institutes, associations, churches, and religious societies, registered religious legal entities, public-benefit corporations, municipalities, regions, city districts of Prague capital and voluntary associations of municipalities.

To meet the main objective, six substantive objectives are defined in the programme documentation:

Objective 1: *Increasing the capacity of residential social service facilities*,
Objective 2: *Improvement of existing residential social service facilities, leading in particular to the fulfilment of material and technical standards of social services,*
Objective 3: *Expansion of the facilities of outreach social service providers in connection with the increase in the capacity of outreach and outpatient social care and prevention services,*
Objective 4: *Mobility support,*
Objective 5: *Purchase of cars for social service providers,*
Objective 6: *Acquisition of assistive devices and assistive technologies for social care service providers.*

Between 2017 and 2020, the MoLSA announced five calls for applications for subsidies under Programme 013 310. In these calls, it specified the subject matter, the range of eligible applicants for subsidies, the deadline for submitting applications and other requirements that the applicant for subsidies must meet. Until the end of 2020, the amount of CZK 415.94 million was used from the state budget to finance Programme 013 310. This represents 16.63% of the total allocated amount of the programme.

Strategic documents in the field of social services

The development of social services is covered by a number of strategic and conceptual materials, including the following within the audited period:

- *National Strategy for the Development of Social Services for 2016-2025,*
- *Action Plan for the Development of Social Services of the Czech Republic 2017-2018*,
- *Social Inclusion Strategy 2014-2020*,
- *National Action Plan to Support Positive Ageing for the Period 2013 to 2017,*
- *National Plan for the Promotion of Equal Opportunities for Persons with Disabilities 2015-2020*,
- *Strategy of prevention and solution of homelessness in the Czech Republic until* 2020.

Support for the development and renewal of the material and technical base of social services is also based on the *National Development Programme Mobility for All for the Period 2016-2025* and the *Government's Funding Plan of the National Development Programme of Mobility for All for the Period 2016-2025*.

Statistical Yearbook on Labour and Social Affairs

The MoLSA publishes an annual statistical yearbook on labour and social affairs. The data base of the yearbook consists mainly of outputs from ministries' statistical surveys supplemented by selected indicators from ministries' information systems. Section 6. *Social Services* sets out, among other things, information on the number and capacity of social services, the number of users (clients) of social services and the number of unmet applications for social services. Selected data on residential social services are presented in Annex 1.

III. Scope of the Audit

The aim of the audit was to examine whether the state funds spent to support investments in the field of social services contributed to the fulfilment of the set objectives. The audited period covered the years 2017-2019 and also, where relevant, the period immediately before that and the period up to the completion of the audit. The audit examined whether the audited activities complied with applicable laws and regulations.

The subject of the audit was the state funds spent to support the development and renewal of the material and technical base of social services facilities from Chapter 313 - MoLSA.

The audit focused on the support for investments in the social area, especially on the activities of the MoLSA as the administrator of the property reproduction programmes in the chapter of the state budget entrusted to it. The SAO examined the setup of programmes in relation to conceptual and strategic documents and their management to achieve the set objectives. Furthermore, the activities of the MoLSA as a provider of subsidies from property reproduction programmes were examined in terms of the evaluation of applications for subsidies, their administration and control.

The audit of the selected beneficiaries focused on compliance with the conditions set out in the programme documentation and management documents, compliance with the procedures for awarding and implementing public contracts, and compliance with the set objectives and conditions for the sustainability of the investment.

The audit was carried out at the MoLSA and 9 beneficiaries. The audit sample of investments was identical for the MoLSA, as the programme administrator and subsidy provider, and for the beneficiaries. The selection of investments considered in particular the representation in the programmes audited, the financial importance and the stage of implementation of the investment projects. 12 investments were selected for the audit, of which 4 investments were supported by programme 113 310 and 8 investments were supported by programme 013 310. A list of the audited investments and beneficiaries is given in Annex 2.

The audited volume of funds for 12 audited investments amounted to CZK 261,510,583.03. From Programme 113 310, the total subsidy for the audited investments amounted to CZK 232,594,002.03 and from Programme 013 310, it amounted to CZK 28,916,581.00.

Note: The laws and regulations contained in this Audit Report were applied in the version effective for the audited period.

IV. Detailed Facts Ascertained by the Audit

1. Achievement of the stated objectives of the audited programmes

The MoLSA monitored the implementation of Programme 113 310 and Programme 013 310 in the preparation of the closing account of Chapter 313 MoLSA (implementation of the programme's financial plan) and kept an overview of the fulfilment of indicators. For both programmes, the deadline for completion of the implementation by 31 December 2022 and the deadline for drafting the final evaluation by 31 December 2023 were set in the programme documentation.

Indicators are a tool for assessing the achievement of the set objectives and for the overall evaluation of the programmes. The setting of indicator values in both programmes was based on the allocation of funds for individual objectives, the cost of investments (cost parameters) and the programme participant co-financing rate of 25%.

For the fulfilment of the five objectives of **Programme 113 310**, the MoLSA has set the relevant indicators, an overview of which and their interim fulfilment in November 2020 is presented in Annex 3. The fulfilment of the indicators of Programme 113 310 also includes the fulfilment of the indicator of the last unfinished investment project No. 113D313008002 *Retirement home Antošovice.* Four of the five indicators (i.e., the indicators "*increasing the capacity of residential social services facilities in accordance with medium-term social services development plans*", "*support for improving the quality of social care services*", "*support for mobility*" and "*reducing the energy consumption of residential social services facilities*") of Programme 113 310 were fulfilled. The indicator "*number of new beds in residential facilities for social prevention services*" was met only 36.56%. The set number of 186 new beds[13] was not achieved due to the low interest of social prevention service providers in new beds in

[13] The value of the indicator was increased in the fifth update of Programme 113 310 documentation in 2015.

residential facilities and due to the transition to the provision of outreach social prevention services.

In **Programme 013 310**, the MoLSA set out to achieve six objectives and set indicator values for each objective. An overview of the set output indicators and their interim implementation in November 2020 is provided in Annex 3.

The indicator "*new cars purchased*" set for target 5 had already been met in November 2020, even at 180.60%. Five other Programme 013 310 indicators had not been met in November 2020. For the indicator "*newly implemented beds*" for Objective 1 and the indicator "*clients served*" for Objective 6, it can be assumed that they will be met by the end of 2022, as the issued management documents commit[14] to a higher performance than their target value. For the indicator "*newly implemented beds*", the fulfilment of up to 249.92% of the target value is committed. In February 2021, the MoLSA announced further calls for applications for subsidies under these objectives, although Objective 5 has already been met and Objectives 1 and 6 are expected to be met.

On the contrary, the indicator "*beds for which the material and technical standard has been raised, including the accompanying infrastructure of the reconstructed facility*" for Objective 2 and the indicator "*barrier-free adapted buildings*" for Objective 4 showed a performance of less than 29% in November 2020, and less than 52% of the target value of the indicators was committed in the management documents. The indicator "*Facilities that have been expanded and capacity has been increased by at least 5 clients*" for Objective 3 showed 0% fulfilment in November 2020, and 0% of the target value of the indicator was also committed. It is clear from the fulfilment of Programme 013 310 to date that there is a risk of not meeting the targets values set for these three indicators.

For the fulfilment of Objective 1 *Increasing the capacity of residential social service facilities*, an amount of CZK 825 million has been allocated. The value of the output indicator was set at 605 newly implemented beds, which corresponds to an average subsidy of CZK 1,363,636 per implemented bed.

By the end of 2020, funds totalling CZK 190,519,574.90 had been disbursed for the implementation of Objective 1 investments. The unspent amount of funds in the final budget of 2020 earmarked for financing investments under Objective 1 was CZK 1,170,103,031.66. The total amount of funds for Objective 1 investments was thus CZK 1,360,622,606.56 (164.92% of the allocated amount). This amount corresponds to the committed fulfilment of the output indicator by 1,438 newly implemented beds (237.69% of the target value) in the issued management documents[15]. The average amount of the subsidy in the issued management documents per newly implemented bed is CZK 946 190.96, which is 30.61% lower than the expected average amount of the subsidy per implemented bed.

The MoLSA allocated financial resources for Objective 1 and set the value of the output indicator in relation to them, which did not correspond to the actual demand for the creation of new beds in residential social service facilities, the expected demographic development or

[14] Committed = value of the indicator mandatorily stated in the issued management documents.

[15] Investment Project No. 013D313008201 *Refurbishment of the residential section and extension of Building D*, which contributes to multiple objectives (Objective 1 and 2), has not been included in the data. Investments No. 013D313001103 *Construction of a home with a special regime* and No. 013D313005352 *MUDr. Alois Mašek Centre* with issued registration of the investment, for which no funds had been budgeted until the end of 2020, were also not included.

the requirements of social service providers. Even in view of the predicted long-term development in the care of citizens in need, the value of the output indicator was too low.

An amount of CZK 50 million has been allocated for Objective 5 Purchase of cars for social service providers, and the value of the output indicator was set at 67 newly purchased cars, which corresponds to an average subsidy of CZK 746,268.66 per car.

As of 31 December 2020, funds in the amount of CZK 27,884,581.10 (55.77% of the allocated amount) had been spent on the implementation of Objective 5, and in November 2020 the value of the output indicator of 122 newly purchased cars (182.09% of the target value) was achieved; i.e., the average amount of subsidy paid per car was CZK 228,562.14.

In setting the output indicator, the MoLSA based the average value (weighted average) of the cost of the acquisition of three types of cars.[16] The MoLSA did not have data on the real need of social service providers who, in their applications for subsidies, preferred to purchase cars without further modifications, i.e., cars with lower acquisition costs than the considered average.

2. Set-up of Programme 013 310

The documentation for **Programme 013 310** was submitted to the MoLSA for approval by the MoF, which stipulated, among other things, that the objectives of the programme would be subject to the final evaluation of the programme. The objectives of Programme 013 310 are based on conceptual and strategic documents, in particular *National Strategy for the Development of Social Services for the period 2016-2025*, *Social Inclusion Strategy* and *The National Plan for the Promotion of Equal Opportunities for Persons with Disabilities 2015-2020*. For individual objectives, the MoLSA has proposed a system of impact and output indicators, whose an overview is given in Annex 4. In setting the values of the impact indicators, the MoLSA considered the baseline situation, the demographic development of the population in the 65+ age group, the number of existing and potential clients of the service and the capacity of beds.

Using the set values of impact indicators, the MoLSA as the programme administrator will be able to evaluate the fulfilment and effectiveness of objectives 1, 2, 4 and 6. For Objectives 3 and 5, the MoLSA will not be able to evaluate the effectiveness; i.e., to assess the degree of achievement of the objectives, and it will not be demonstrated whether the objectives have been achieved, as no impact indicator has been defined for Objective 3 on the grounds that the goal is to increase the capacity of facilities at the local level in relation to current needs that cannot be predicted in the long term, and no impact indicator has been defined for Objective 5 due to the absence of relevant baseline data.

In the documentation of Programme 013 310, the MoLSA stipulated on the sustainability period of the investment that for a period of ten years from the end of the implementation, participants in the programme are obliged to use the acquired or reproduced property for the provision of social services under Act No. 108/2006 Coll. When setting the value of indicators

[16] Objective 5 supports the acquisition of cars with adaptations for transporting people with reduced mobility (costs CZK 1,200,000 excluding VAT at most), cars for difficult terrain and climatic conditions, or with special adaptations for transporting people with reduced mobility (costs of CZK 500,000 excluding VAT at most) and cars without further adaptations (costs of CZK 320,000 excluding VAT at most) for transporting clients and workers providing social services.

for objectives 5 *Acquisition of cars for social service providers* and 6 *Acquisition of assistive devices and assistive technologies for social care service providers*, the MoLSA considered an economic lifetime of 5 years, but did not take this fact into account in the established sustainability period, which was thus twice as long as the considered lifetime of the assets. The MoLSA eliminated the discrepancy between the stated 10-year sustainability period of assets acquired under Objectives 5 and 6 and their 5-year economic life only when updating the 013 310-programme documentation in 2019, i.e., after more than 2 years of programme implementation.

Furthermore, the MoLSA, in the framework of the update of the documentation of Programme 013 310 in 2019, extended the possibility of using the funds also for the acquisition and renewal of small tangible and intangible assets, although Act No. 218/2000 Coll.[17] explicitly excluded the possibility of financing small tangible and intangible fixed assets.

The MoLSA extended the originally set four-year period of implementation of Programme 013 310 by another 2 years until 31 December 2022 when updating the programme documentation in July 2019, but this extension was not reflected in the further content of the programme, due to which no change (extension) of the deadline for achieving the set objectives or changes, with regard to the ongoing implementation, of the amount of the set objectives, the values of the output and impact indicators of the individual substantive objectives, or the deadline for achieving the indicators occurred. The MoLSA decided to extend the implementation period of Programme 013 310 not only because of the state of preparation and implementation of the investments included in the programme in 2017, but mainly because of the investment projects from the calls prepared in 2019. The MoLSA did not require the submission of a final building permit for submitted applications, and in the context of the building and renewal of social infrastructure, it allowed applications to be submitted only based on a study. The downside of this approach has been the increased time between the approval of the application and the start of funding.

The MoLSA also extended the implementation of **Programme 113 310** by the end of 2022. The documentation of this programme was approved by the MoF in May 2007 and during the implementation of the programme the MoLSA updated it several times and extended the programme implementation period. This programme will take more than 15 years to implement. The reason for the latest adjustment to the implementation period made in February 2020 was due to delays in the preparation of two investment projects, one of which was ultimately not implemented due to its being removed from the programme. The implementation of the second investment (No. 113D313008002 *Retirement home Antošovice*, original name *Retirement home Hladnovská*) is ongoing, but has undergone significant changes (change of the name of the investment, place of implementation, deadlines and financial needs); only the identification number of the investment, the provider and beneficiary of the subsidy and the amount of the subsidy have been retained from the basic characteristics of the investment.

[17] Section 12(1) of Act No. 218/2000 Coll.

3. Management activities of the MoLSA

It was not until 2016 that the MoLSA began to introduce some procedures for evaluating applications for subsidies from **Programme 113 310**. Investments that scored between 120 and 150 points were submitted for consideration by the Ministerial Investment Committee[18]. *The Principles for Setting Priorities for the Implementation of Investments* and the *Rules for Setting Priorities for the Implementation of Investments* issued by the MoLSA did not specify the procedures to be followed by the Ministerial Investment Committee in selecting investment projects. From the documents submitted by the MoLSA, it was not possible to assess how the individual investments were agreed and whether the process was transparent.

Under **Programme 013 310,** subsidy applications were substantively assessed by external evaluators, assessed for compliance with formal requirements and subjected to a technical and economic assessment, including verification of compliance with cost parameters. In the programme documentation, the MoLSA stipulated the obligation to include efficiency indicators in the investment plan[19], which were subsequently not taken into account when assessing and evaluating applications for subsidies. The selection of applications was carried out by the grant committee[20] from a list of assessed and evaluated applications.

At its meeting, the Grant Committee voted to reduce the subsidy, expressed as a percentage of the requested subsidy or as a reduction in the number of vehicles for which the subsidy was to be used. For this procedure, there were no uniform and verifiable rules for determining the order of voting, for deciding on the exclusion from the vote or for reducing the amount of the requested subsidy, which could lead to non-transparency of the process and disadvantage of applicants for subsidies.

The SAO audit found that the minutes of the meeting of the Grant Committee of 5 September 2017 contain the voting process and a list of investment projects recommended for support by the Grant Committee (attached as Annex 1 to the minutes), but this list does not correspond to the voting process stated in the minutes. The list also includes proposals for investment projects that were not accepted by the vote of the Grant Committee and, conversely, does not include projects that were accepted by the Grant Committee. The list of investment projects was submitted by the Grant Committee to the Minister, who approved it.

The SAO recommends, in order to maintain transparency and equal access to all applications, for the provision of subsidies, that the MoLSA set clear, measurable and evaluable criteria for the submission and discussion of investment projects at the Grant Committee.

The MoLSA monitors compliance with the conditions of the programme documentation and the conditions of *the subsidy decision*. The result of the monitoring is recorded in control sheets. The SAO audit found that out of 12 audited investments, 5 investments were missing control sheets, the MoLSA did not submit a total of 4 control sheets for one investment, and one investment did not have a signed control sheet for the payment request. In addition, the

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[18] The Ministerial Investment Committee is a permanent working committee of the MoLSA in the field of financing of asset reproduction programmes from the state budget. Its powers and the manner of its proceedings are regulated by the Statute and Rules of Procedure, which were issued by Ministerial Order No. 11/2014, effective from 15 August 2014 to 15 June 2016.

[19] Efficiency indicators - e.g., cost per client or 1 bed, cost per m^2 or m^3 of purchased capacity.

[20] Grant Committee of the MoLSA for the provision of subsidies from Programme 013 310 *Development and renewal of the material and technical base of social services*, appointed by the Minister of Labour and Social Affairs
Ref. No. MPSV-2017/168994-221 of 21 August 2017.

files submitted for 5 investments included incomplete documentation for the final evaluation of the investment, 2 investment files did not contain all the implementation reports and 1 file did not contain the final implementation report or payment request. Thus, the MoLSA did not proceed in accordance with Act No. 499/2004 Coll.[21] by not keeping documents evidencing the course of administration of the investments.

The audit found that the content of checklists and other documents produced during the administration of the investments did not always meet the needs of proper verification of the correctness and completeness of the data submitted by the applicant for subsidies. In some cases[22], the data in the checklists and factual assessments were filled in, but this did not lead to the detection of deficiencies and did not ensure error-free administration of the investments by the MoLSA.

The MoLSA makes the payment of the subsidy on the basis of the payment requests submitted by the programme participant, which shall include a list of invoices indicating the funding ratio (state budget and own resources or other sources) according to the valid subsidy decision. For two of the audited investments, the MoLSA did not find that the programme participant had not indicated the ratio of the required subsidy payment according to the valid subsidy decision and made subsidy payments in the amount indicated in the payment requests. Thus, the MoLSA did not use of the possibility not to pay part of the subsidy in case the beneficiary of the subsidy did not comply with the conditions under which the subsidy was provided.[23]

The maximum amount of the subsidy for these two investments was paid at a time when the financing of the investments had not yet been completed, the actual amount of the total investment costs was not known, and the MoLSA did not have all the necessary documents justifying the payment of the maximum amount of subsidies. Thus, until the final reports on the implementation of the investments (and all documents proving the total expenditure actually incurred) were submitted, there was a risk that the MoLSA paid out subsidies higher than the beneficiaries were entitled to according to the valid subsidy decision. For these two investments, the MoLSA had not issued a final evaluation by the time the audit was completed, even though the final reports had been delivered to the MoLSA by the programme participants more than 15 months ago.

The above-mentioned risk materialised in the case of one investment, during the implementation of which the total expenditure according to the valid subsidy decision was reduced from CZK 172,335,539.64 to the actual amount of CZK 169,798,082.79. While maintaining the established structure of the financing of the investment; i.e., 58.03% of the total expenditure from the subsidy and 41.97% of the total expenditure from the beneficiary's own resources, the beneficiary was thus entitled to a subsidy of CZK 1,466, 172.56 less[24] than

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[21] Section 3(1) and Section 63(1) and (3) of Act No. 499/2004 Coll., on Archives and Records Management and on Amendments to Certain Acts.

[22] For example, the MoLSA did not find that the list of invoices included in the payment request did not comply with the obligation to indicate the amount of payment of individual invoices in the ratio of the state budget and own resources according to the current subsidy decision, and did not find that the discovery reports for invoices for construction work submitted as part of the payment requests were not signed by the authorised representative of the investor and the representative of the technical supervision of the investor.

[23] Section 14e(1) of Act No. 218/2000 Coll.

[24] Keeping the established ratio of 58.03% of the total expenditure from the subsidy and 41.97% of the total expenditure from own resources, the amount of the subsidy would be CZK 98,533,827.44. The actual amount of the subsidy paid was CZK 100,000, 000.00.

was paid. The MoLSA thus acted in violation of the programme documentation.[25] The MoLSA released the funds in breach of the conditions under which they were granted, as it paid the subsidy to a beneficiary in the amount of CZK 1,466,172.56 more than the beneficiary was entitled to under the conditions laid down in the subsidy decision, and thus unjustifiably used state budget funds.

The MoLSA did not have a functional and effective internal control system in place for activities related to the administration of investments supported by Programmes 113 310 and 013 310 between 2017 and 2019. In all 12 audited investments, the SAO audit found deficiencies in the activities of MoLSA in the management control in the administration of the investments, failure to ensure consistent preliminary and continuous control of the operations prepared and implemented in accordance with Act No. 320/2001 Coll.[26]

The audit of the administration of the investments found, among other things, that the MoLSA:

- for four investments, it found that the applicant had not carried out an evaluation of the effectiveness of the investment in accordance with the programme documentation in the investment plan submitted and did not require this information to be completed;
- for three investments supported by Programme 113 310, it included non-eligible expenditure in the calculation of the minimum own resources share (maximum subsidy share), thereby breaching the programme documentation;
- for one investment, when assessing the subsidy application, it did not carry out a proper assessment of the formal requirements of the application, as it did not find that the applicant had given sub-programme and investment indicator names that were not in line with the objective to which the investment contributed, did not invite the applicant to correct them, and furthermore set an investment indicator in the management documents that did not correspond to the objective to which the investment contributed;
- for one investment, it set an indicator in the management documents that was not included in the grant application and the investment plan did not contain data for the inclusion of this indicator, and issued a final evaluation of the investment that confirmed the fulfilment of the indicator, although the beneficiary of the subsidy did not document the fulfilment of this indicator;
- for two investments, it did not reflect in the issued subsidy decisions the substantial changes[27] indicated by the programme participants in the *Programme Participant's Notification of Changes to the Investment*;
- for one investment, it issued a subsidy decision (amendment) 21 days after the deadline for completion of the investment implementation;
- for one investment, it did not find that the discovery reports for the invoices for construction work submitted as part of the payment requests were not signed by the authorised representative of the investor, as required by the conditions laid down in the subsidy decision;

[25] Provisions of Item 12 *Invoice Payment and Financing of Investments* of Programme 113 310 documentation.
[26] Sections 26 and 27 of Act No. 320/2001 Coll.
[27] Substantial changes – they change the data in the subsidy decision, affect the dates of implementation of the investment, financing of the investment, submission of documentation for the final evaluation of the investment, as well as change the objectives of the investment, indicators, parameters and values of the investment and non-investment balance.

- for two investments, the final evaluation of the investment indicated a binding value of MAX for the financial indicator, even though the binding value of MIN had been set in the valid subsidy decisions, thus allowing this indicator to be assessed as fulfilled;
- for three investments, the final evaluation of the investment contained incorrect data (meeting the target date for the indicator, the deadline for the end of funding, the value of the investment parameter).

The SAO audit also found that the MoLSA did not respect the change in legislation for 8 out of 12 audited investments, as the conditions set out in the subsidy decision did not consider the change in Act No. 218/2000 Coll.[28], and therefore referred to the wrong provision of the Act. For 4 of the 8 audited investments, the MoLSA determined the effectiveness of the subsidy decision differently from the approved documentation of Programme 013 310.

4. Shortcomings of beneficiaries

The audit of a selected sample of 12 investments supported by Programmes 113 310 and 013 310 did not reveal any inefficient or uneconomical use of the funds provided from the state budget in the nine beneficiaries.

Violations of the conditions for the use of the funds set out in the subsidy decision were found in the Central Bohemian Region and in the Archdiocesan Caritas Prague. Central Bohemian Region violated the conditions by not ensuring the signature of discovery reports of Investment No. 113D313004701. *Increasing of the capacity of the Special Regime Home in the Retirement Home in Nové Strašecí* by the investor's authorised representative. The Archdiocesan Caritas Prague violated the conditions because the invoices for Investments No. 013D312001103 *Mobility Support at the Fatima House - Centre for People with Physical Disabilities* did not contain the number and name of the investment. The SAO assessed the shortcomings as indicating a breach of budgetary discipline[29] in the amount of CZK 239,958.74.

The following deficiencies were found in the public procurement process of the beneficiaries:

- The Vysočina Region violated Act No. 137/2006 Coll.[30] when assessing the bids of bidders, as it did not exclude from the evaluation and subsequently did not eliminate three tenders that did not meet the requirements of the contracting authority specified in the tender documentation. The chosen procedure did not influence the selection of the most suitable tender. Furthermore, it violated Act No. 137/2006 Coll.[31], as it did not publish, on the contracting authority's profile, the price actually paid for the public contract and the list of subcontractors within the set time limit and did not publish the price paid for the performance of the public contract in the previous calendar year, including the list of subcontractors. When the commitment was changed, the Vysočina Region did not send the notification of the change of commitment for publication, thus not proceeding in accordance with Act No. 134/2016 Coll.[32]

[28] With effect from 1 January 2018, Section 14 of Act No. 218/2000 Coll. was repealed with the deletion of paragraph 5 and a consequent change in the numbering of paragraphs.
[29] Section 44 (1)j) of Act No. 218/2000 Coll.
[30] Section 76 and Section 1(6) of Act No. 137/2006 Coll., on Public Contracts.
[31] Section 147 of Act No. 137/2006 Coll., on Public Contracts.
[32] Section 222 of Act No. 134/2016 Coll., on Public Procurement.

- Archdiocesan Caritas Prague and the city of Sušice violated the public procurement methodology[33], which they were obliged to follow, when awarding a total of three small-scale public contracts. These included failures to send the notice of selection of the supplier to the bidders in the tender procedure within the deadline, failure to indicate the order of the evaluated tenders in the written report, or incompleteness of the required information in the call for proposals. These violations did not affect the selection of the most advantageous tender and do not count as violations of the rules of Programme 013 310.

The audit found several irregularities in the submitted applications for subsidies, including:

- The Hradec Králové Region did not specify in its subsidy application all the economic criteria for evaluating the costs of the indicators related to the investment and included also expenditure that was not in line with the objectives of Programme 113 310, i.e. non-eligible expenditure, in the eligible expenditure;
- In the application for the provision of subsidy for investment No. 013D313004402 *Refurbishment of the building for Centre 83*, the Central Bohemian Region included the name and number of the sub-programme, indicator and indicator of the cost parameter, which were not in line with the objective of Programme 013 310, to the fulfilment of which the implementation of the investment contributes;
- Archdiocesan Caritas Prague for one investment, the Hradec Králové Region, the town of Planá nad Lužnicí and the Central Bohemia Region for one investment did not include in the investment plans attached to the subsidy applications an evaluation of the effectiveness of the investment in accordance with the outline of the investment plan set out in the programme documentation.

In addition, deficiencies were found in the submission of documentation to the programme administrator during the implementation of the investments, including the following:

- The Archdiocesan Caritas Prague did not send to the MoLSA the minutes of the inspection days concerning the progress of the works carried out for two projects, which did not comply with the conditions of the registration of the investment and did not follow the wording of the documentation of Programme 013 310.
- The Central Bohemian Region did not submit all the documents for the final evaluation of the two investments, despite being obliged to submit them within the time limit according to the conditions set out in the subsidy decision. In one case, it did not submit a copy of the document allowing the use of the building or a copy of the decision to change registration of social services indicating the newly provided social service, in the other case, it did not submit a copy of the vehicle registration certificate in which the Region was indicated as the owner of the vehicle.
- The City of Pacov did not comply with the conditions set out in the subsidy decision, as it did not notify the programme Administrator of changes in the non-investment and investment balance of the investment and the final implementation report submitted did not contain a commentary justifying the changes in the subsidy decision and the conditions set out in the decision.

[33] The procurement methodology is annexed to the Programme 013 310 documentation.

Glossary of terms

Impact indicator	The impact indicator is used to assess the effectiveness, i.e., to assess the extent to which the objectives of the expenditure intervention have been met. It is used to demonstrate whether the objective has been achieved.
Indicator	An indicator is a tool for measuring a goal.
Output indicator	Output indicators are used for the operational management of the programme. They provide information on the investments implemented under the programme and express the immediate effects achieved through the subsidy provided.
Discovery report	The discovery report is the basis for invoicing the works and supplies, proving the volume of works and supplies carried out.

Source: documentation to Programme 013 310.

List of Abbreviations Used

Chapter 313 - MoLSA	state budget chapter 313 – Ministry of Labour and Social Affairs
CR	Czech Republic
CSO	Czech Statistical Office
MoF	Ministry of Finance
MoLSA	Ministry of Labour and Social Affairs
Programme 013 310	Programme 013 310 *Development and renewal of the material and technical base of social services*
Programme 113 310	Programme 113 310 *Development and renewal of the material and technical base of social services*
SAO	Supreme Audit Office
VAT	Value added tax

Annex 1

Number and capacity of residential social services in the period 2015 to 2019

Type of service	2015		2016		2017		2018		2019	
	number	capacity	number	capacity	number	capacity	number	capacity	number	capacity
Weekly residential care*	60	836	57	779	57	868	51	820	49	782
Homes for people with disabilities*	212	12,707	209	12,402	204	12,231	204	11,999	204	11,854
Retirement homes*	496	37,200	514	37,247	519	37,037	525	37,048	524	36,688
Homes with a special regime*	276	15,494	307	17,784	322	18,853	341	20,075	349	20,904
Sheltered housing*	196	3,556	205	3,898	207	4,014	210	4,104	210	4,063
Asylum homes	215	7,311	211	7,111	214	7,199	217	7,265	211	7,122
Halfway houses	34	376	37	408	36	396	37	407	34	380
Crisis assistance facilities	42	43	41	43	41	42	41	48	44	45
Therapeutic communities	14	243	13	224	14	237	15	249	15	249
Social rehabilitation	257	537	266	283	275	361	284	299	292	320
Subsequent care services	39	199	42	241	44	265	44	276	45	296
Total	**1,841**	**78,502**	**1,902**	**80,420**	**1,933**	**81,503**	**1,969**	**82,590**	**1,977**	**82,703**

Source: MoLSA – statistical yearbooks on labour and social affairs for 2015 and 2019, table No. 6.1; own analysis of the SAO.
* Selected residential services.

Number of admitted users (clients) and unmet applications for residential social services between 2015 and 2019

Type of service	Number of admitted users (clients) in the year					Number of outstanding applications as at 31 December				
	2015	2016	2017	2018	2019	2015	2016	2017	2018	2019
Weekly residential care*	191	211	194	188	175	201	164	137	174	150
Homes for people with disabilities*	1,212	1,157	1,073	928	985	2,581	2,414	2,716	2,733	3,228
Retirement homes*	12,330	12,050	11,840	11,643	11,932	64,058	65,764	61,013	57,997	60,643
Homes with a special regime*	6,669	7,758	7,588	8,311	8,708	18,782	21,334	22,348	24,198	26,145
Sheltered housing*	826	853	806	744	707	1,756	1,964	2,315	1,915	1,984
Asylum homes	11,668	12,076	11,741	11,602	11,974	5,543	4,870	6,061	7,685	7,398
Halfway houses	544	593	535	576	482	256	106	84	120	100
Crisis assistance facilities	530	756	683	1,815	591	458	467	642	728	516
Therapeutic communities	374	330	368	370	374	62	76	64	76	90
Centres of social rehabilitation services	561	335	638	643	680	1,674	749	625	711	932
Subsequent care services	300	365	414	421	399	346	255	331	380	309
Total	**35,205**	**36,484**	**35,880**	**37,241**	**37,007**	**95,717**	**98,163**	**96,336**	**96,717**	**101,495**

Source: MoLSA – statistical yearbooks on labour and social affairs for 2015 and 2019, tables 6.3 and 6.6; own analysis of the SAO.
* Selected residential services.

Residential social services by number of rooms from 2015 to 2019

Type of service	2015		2016		2017		2018		2019	
	Number of beds per room**									
	1–2	3+	1–2	3+	1–2	3+	1–2	3+	1–2	3+
Weekly residential care*	319	100	332	76	375	82	352	75	343	72
Homes for people with disabilities*	5,347	1,264	5,609	1,181	5,634	1,064	5,714	974	5,630	990
Retirement homes*	22,507	1,739	22,747	1,649	22,729	1,585	22,763	1,564	22,789	1,468
Homes with a special regime*	6,579	1,379	7,723	1,651	8,160	1,613	8,927	1,681	9,532	1,582
Sheltered housing*	2,634	43	2,816	88	2,861	71	2,996	67	2,988	64
Asylum homes	1,123	1,538	1,093	1,457	1,088	1,474	1,156	1,457	1,109	1,459
Halfway houses	233	8	251	9	235	9	251	8	232	9
Crisis assistance facilities	7	10	14	6	10	8	14	8	11	9
Therapeutic communities	76	32	71	30	73	33	70	38	73	36
Centres of social rehabilitation services	207	50	96	30	108	32	100	34	102	38
Subsequent care services	85	16	112	17	127	20	122	22	148	18
Total	**39,117**	**6,179**	**40,864**	**6,194**	**41,400**	**5,991**	**42,465**	**5,928**	**42,957**	**5,745**

Source: MoLSA – statistical yearbooks on labour and social affairs for 2015 and 2019, table No. 6.2; own analysis of the SAO.

* Selected residential services.

** Number of beds per room 1-2 = number of single and double rooms.
Number of beds per room 3+ = number of triple and multi-bed rooms.

Annex 2

Audited investments – audited volume

No. of the investment	Name of the investment project	Subsidy beneficiary	Subsidy amount in CZK
113D313002004	Retirement Home Černožice – refurbishment of the existing accommodation facility	Hradec Králové Region	33,863,645.03
113D313004701	Increase of the capacity of the home with special regime in the Retirement Home Nové Strašecí	Central Bohemian Region	12,013,857.00
113D313006702	Retirement Home Havlíčkův brod - extension	Vysočina Region	100,000,000.00
113D313006901	Pacov Social Services Centre	City of Pacov	86,716,500.00
013D312001103	Mobility support in Fatima House - centre for people with disabilities	Archdiocesan Caritas Prague	1,033,042.00
013D312004204	Purchase of a car for the Buda Home	Central Bohemian Region	531,400.00
013D312005402	Purchase of cars for Ledax o.p.s. outreach services	Ledax o.p.s.	619,832.00
013D312005601	PROVIDING HIGHER MOBILITY OF THE OUTREACH CARE SERVICE in Planá nad Lužnicí	City of Planá nad Lužnicí	222,915.00
013D313002301	Kitchen renovation for SSMP	City of Pardubice	21,899,466.00
013D313004001	Improvement of the existing residential facility of the Cardinal Beran Retirement Home in Mukařov	Archdiocesan Caritas Prague	677,738.00
013D313004402	Refurbishment of the building for Centrum 83	Central Bohemian Region	3,021,688.00
013D313005351	Modernisation of laundry equipment in the Sušice Retirement Home	City of Sušice	910,500.00
Total			**261,510,583.03**

Source: MoLSA - government documents for audits.

Annex 3

Overview of Programme 113 310 objectives and indicators and their implementation

Goal of Programme 113 310	Indicator unit of measurement	Specified value of the indicator according to the DP		Indicator fulfilment as at 11/2020	
		Update IV	Update VII	Number	%
Increasing the capacity of residential social service facilities in accordance with medium-term plans for the development of social services	Service capacity	1,865	1,155	1,526	132.12
Supporting the improvement of social care services	Service capacity	1,650	2,250	2,560	113.78
Mobility support	Number of facilities	31	16	20	125.00
	Number of specially adapted vehicles	0	13	22	169.23
Number of new beds in residential facilities for social prevention services	Number of new beds in residential facilities for social prevention services	80	186	68	36.56
Reducing the energy consumption of residential social service facilities	Number of facilities	20	15	18	120.00

Source: Programme 113 310 documentation and the MoLSA's response to SAO request No. 5, file No. 20/22-NKU530/17/21 of 11 January 2021.

Note: DP = documentation to Programme 113 310.
Update IV = Fourth update of Programme 113 310 documentation dated 19 December 2013.
Update VII = Seventh update of Programme 113 310 documentation dated 5 February 2020.

Fulfilment of the output indicators of Programme 013 310

Target	Name of output indicator of Programme 013 310	Specified value of the output indicator according to the DP	Indicator fulfilment as at 11/2020			
			Investments with an issued control document		Investments with final evaluation issued	
		Number	Number	%	Number	%
1	Newly implemented beds	605	1,512	249.92	40	6.61
2	Beds for which the MTS was increased, including the accompanying infrastructure of the refurbished facility / retirement homes, homes with special regime, weekly residential homes, sheltered housing, homes for people with disabilities	3,590	1,358	37.83	1,015	28.27
3	Facilities which have been extended and whose capacity has been increased by at least 5 clients	44	0	0.00	0	0.00
4	Barrier-free adjusted buildings	60	31	51.67	12	20.00
5	Newly purchased cars	67	122	182.09	121	180.60
6	Clients served	1,016	1,050	103.35	400	39.37

Source: Programme 013 310 documentation and the MoLSA's response to SAO request No. 5, file No. 20/22-NKU530/17/21 of 11 January 2021.

Note: DP = Documentation to Programme 013 310 of 9 July 2019 (second edition).
MTS = material and technical standard.

Annex 4

Overview of output and impact indicators of individual objectives of Programme 013 310

Target	Output indicator	Output indicator (number)	Impact indicator 2020
1	Newly implemented beds	605	Satisfaction of 1.8% of the 65+ age group
2	Beds for which the MTS has been increased, including the accompanying infrastructure of the refurbished facility / retirement home	1,450	90% of beds in single and double rooms
2	Beds for which the MTS has been increased, including the accompanying infrastructure of the refurbished facility / home with a special regime	1,885	84% of beds in single and double rooms
2	Beds for which the MTS was increased, including the accompanying infrastructure of the refurbished facility / weekly residential homes, sheltered housing, homes for people with disabilities	255	39% of beds outside institutions
3	Facilities which have been expanded and whose capacity has been increased by at least 50 (or 5) clients[1]	44	Not defined[2]
4	Barrier-free adjusted buildings	60	56% of buildings are barrier-free
5	Newly purchased cars	67	Not defined[3]
6	Clients served	1,016	3.5% of potential clients served

Source: documentation to Programme 013 310.

Note:
[1] When Programme 013 310 was updated in 2019, the wording of the indicator was modified to align the terminology and provide instantaneous capacity instead of the previously reported total capacity.
[2] The impact indicator for Objective 3 is not defined on the grounds that the objective is to increase the capacity of facilities at the local level in relation to current needs that cannot be predicted in the long term.
[3] The impact indicator for Objective 5 is not defined, as no relevant baseline data is available.

MTS = material and technical standard.