

Analysis of intended and non-intended use of public funds

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Abstract

The study deals with the observance of the professional rules governing the separate recording and establishment of the transparency of financial relations among budget users. The prohibition of the unallowed use of public funds for profitable activities is an integral part of the European acquis. Separate recording of activities based on professional cost accounting rules reduces the possibility of non-intended use of budgetary funds. The results of the survey show that the application of cost accounting rules in the separate recording of activities ensures transparency of financial relations and makes it difficult to use public funds inappropriately.

Keywords: budget, profitable activity, non-profitable activity, costs, accounting, organization

INTRODUCTION

This paper addresses the problem of ensuring the proper use of public funds. The problem is highlighted in the companies that are financed by profit and non-profit activities for the purpose of which they are organized. The companies that perform project tasks financed by public and private resources have to separate in their accounting the acquired sources of financing and their use to increase the company resources. It is important to have a record of justified use as well as to expose and prevent the misuse of public funds.

Non-earmarked use of public funds in profit-making organizations distorts competition, which is why European legislation and the local laws of the EU Member States prohibit such use of public funds for commercial activities. Despite the prohibition, violations are common, especially in companies financed by sources of funding intended for profit and non-profit activities, and companies carrying out publicly funded projects. The professional and organizational complexity of ensuring the transparency of financial relationships is cited to be the reason for that.

The purpose of our research is to test the solution to the problem of the use of intended and non-intended public funds in different management of the acquired and used funds of activities. We have taken into account the professional rules that, in the economic discipline, regulate the procedures of the acquisition, management and use of funds, which are recorded in cost accounting at the appropriate cost centres of profit and non-profit activities.

The aim of the study was to determine the appropriateness of applying professional cost accounting rules in establishing separate recording of activities, in order to establish financial transparency and prevent non-intended use of public funds. First, we analysed the peculiarities of both profit and non-profit activities and companies as providers of publicly funded activities. We also addressed the recipients of various public funds for the implementation of non-profit projects with limited content and time. Public resources should not be wasted in any way.

Research hypothesis: The application of cost accounting rules in the separate recording of activities ensures the transparency of financial relationships and makes it difficult to waste public funds.

The survey was conducted in 2019 by first examining the practice and theory of recording budget spending by budget users worldwide. Based on the study of the cost accounting rules and foreign practices, we formulated a questionnaire (Appendix: 1) and thereby achieved the goals of the research and tested the research hypothesis.

PURPOSE OF THE USE OF PUBLIC FUNDS

We have several definitions of intended funds. In this research, we focused on public funds. Public resources (state resources) are all funds of state or public origin, including those attributable to the state. Public funds include all public sector funds, including funds from entities within the country (regional, local communities, etc.) and funds allocated directly or indirectly from state coffers.

The term "budget" is used to refer to the annual estimates of socio-political expenditure (state, municipal budget). As a rule, it is an act of a state or local community which plans for all revenues and other receipts and expenditures and other expenses for one year. The use of public funds is carefully monitored. The purpose of supervision is to ensure that public funds are used appropriately. This applies to all public funds, including those obtained from the European budget (Eržen, Vidovič, 2018, pages 4 and 5). The general rule is that the acquired assets should not be used for purposes other than those for which they have been acquired. The use of acquired public funds to finance commercial activities is specifically prohibited.

Companies performing profit activities, which besides commercial financing also have public financing of projects, find the lack of transparency in the use of acquired and used public funds and funds obtained through commercial activity.

There is a wide range of concepts regarding the implementation of activities and sources of financing for the implementation of these activities. The most common is the division into profit and non-profit activity, or by contractor, into profit and non-profit enterprises. Among them, the most common differences are:

- A profitable activity is any activity that is performed on the market for profit. In doing so, the companies performing this activity are constrained by competition. The primary

goal of profit-making organizations is to maximize profits and pass on these profits to business owners.

- A non-profit activity is carried out in specific forms of organization (institute, association, institution, religious community, political party, chamber, representative trade union, etc.). Key features of non-profit organizations are the following:
 - They act in the public interest and strive to meet general needs.
 - They have no owners.
 - Profit maximization is not their primary goal, although they strive for revenues to be greater than expenses.
 - Profit (excess of revenues over expenses) is never distributed to the owner (founder) but should be spent on the activity of a non-profit company.

The most common deviations in the use of public funds (Eržen, Vidovič, 2015, pages 6 - 9; Suša, 2017, pages 1-15) include:

- **Ineligible costs**

In most cases, errors occur because the beneficiaries incorrectly calculate the amount of eligible costs charged to the specific tasks.

- **Ineligible activities or beneficiaries**

Beneficiaries of assigned funds often declare costs that do not relate to the funded tasks or cannot be justified.

- **Procurement errors (consequently, the burden on public funds is too high)**

- **Miscalculated labour costs**

Labour costs are often overestimated or incorrectly calculated, because:

- Instead of the actual costs, beneficiaries declare the costs provided for in the budget.
- Prices charged for a working hour are incorrect.
- Costs are charged for the time not spent on performing publicly funded tasks.
- Incorrect hourly rates are used.
- Labour costs include labour costs of subcontractors.
- An incorrect method of calculating the labour costs on the basis of estimated data is used.
- Labour costs that are reported have incurred before the beginning of the eligibility period or the duration of the assigned tasks.

- **Ineligible indirect costs charged to an intended source of funding**

Indirect costs are often too high as beneficiaries include costs not related to the funded activity, such as marketing or distribution costs. The error is often the result of professionally miscalculated criteria for allocating indirect costs to activities (cost accounting rules are not followed, allocation is based on revenue, etc.).

- **Ineligible direct costs**

For direct costs, beneficiaries often make incorrect calculations of eligible costs (e.g. over-declared depreciation costs of equipment used to perform tasks with intended funding) or report indirect taxes as eligible costs. Ineligible direct costs, such as unreasonable travel or equipment costs, and indirect costs based on incorrect overhead cost rates or covering ineligible cost categories unrelated to the performance of the assigned task.

- **Unauthorized state aid**

State aid rules only apply when the beneficiary is an "undertaking" pursuing an economic activity. A hybrid entity is treated as an enterprise only in connection with economic activities. No public funds may be used to finance economic activities (unless state aid is allowed). However, commercial transactions carried out by public-law body (including public companies) do not constitute state aid if they are carried out in accordance with normal market conditions (Suša, 2017).

- **Selling the effects of commercial activity at a loss**

In cases where the recipient of public funds sells the effects on the market (this may also include rents, by-products of public activity, etc.) below the price (operating at a loss), no public funds should be used to cover this loss.

- **Inadequate treatment of public funds in their use for commercial (profit) activity**

In the case where the public funds beneficiaries also use the funds for carrying out commercial (profit) activity, they have to act in accordance with market conditions. Often, public funds are used within the scope and in a way that is not contingent on market conditions. In this case, we can talk about the misuse of public funds.

PROFESSIONAL RULES FOR THE SEPARATE RECORDING OF ACTIVITIES, WHICH ENABLES TRANSPARENCY OF FINANCIAL RELATIONS

The rules on transparency of financial relations provide legal bases for proper recording of received public funds in companies, preventing the spillover of public funds into commercial (profit) activities, and thereby illicit subsidizing of profit activities.

Separate recording of activities and the use of cost allocation criteria are emphasized. These rules rely on cost accounting rules.

The application of cost accounting rules requires proper organization within the company. Cost centres (for different activities) and cost carriers (for individual tasks) need to be organized.

The organization must allow at least:

- Separate recording of tangible assets (property, plant and equipment) for performing activities of general interest and for performing other activities. If the same tangible fixed assets are used to carry out different activities, it is necessary to:
- apply the criteria by which tangible fixed assets are allocated to SGEIs and other activities,
- identify the proportions of funds intended for the pursuit of SGEIs and other activities. These proportions are taken into account in the allocation of depreciation, revaluation effects (tangible fixed assets, investment property, receivables, inventories, financial investments) and other economic categories that are related to each type of these assets.
- In the case of activities that produce products that can be held in the production process, the inventories created in the course of the SGEIs and other activities must be recorded separately.

- Each activity should be considered as a cost centre, which is determined by income and costs incurred on it.
- For each activity, a profit or surplus of revenue over expenses is determined.
- It is necessary to record the effects of the revaluation of assets and liabilities and those costs relating to activities of SGEIs and other activities.
- The net sales revenue should be broken down into SGEIs and other activities. Interest income should also be broken down.

The application of cost accounting rules at the separate recording of activities such as profit and non-profit, is very important for the transparency of financial relationships and transactions, which may impede the transparency of intended or non-intended public spending. The responsibility of management and accountants is to make the division transparent and properly recorded to inform users in its accounting and business reports. What matters is the final operating result of a non-profit and profit activity. It is important that the result of the profitable activity is not shared and given to donor business organizations.

In order to meet the above requirements, it is necessary to organize the accounting and form cost centres (units), on which we have to monitor various activities in terms of revenues and costs as well as expenses.

We allocate direct items to individual activities according to the principle of affiliation, and general items to individual cost centres (units) on the basis of the formed criteria for cost driver for dividing items of a general nature by individual activities. When designing criteria for the allocation of costs we have to respect the cost accounting principles.

Cost-sharing between public and private use is also what public institutions offer to their internal and external users. An important difference is the cost calculations for different users and the sharing of the common overheads relating to non-profit and profit-making activities.

To manage correct and appropriate information about the received and used received funds (public, private), information support is very important (relevant and adapted information and accounting systems), and budget users must include it in their cost accounting as well as financial accounting, as a result.

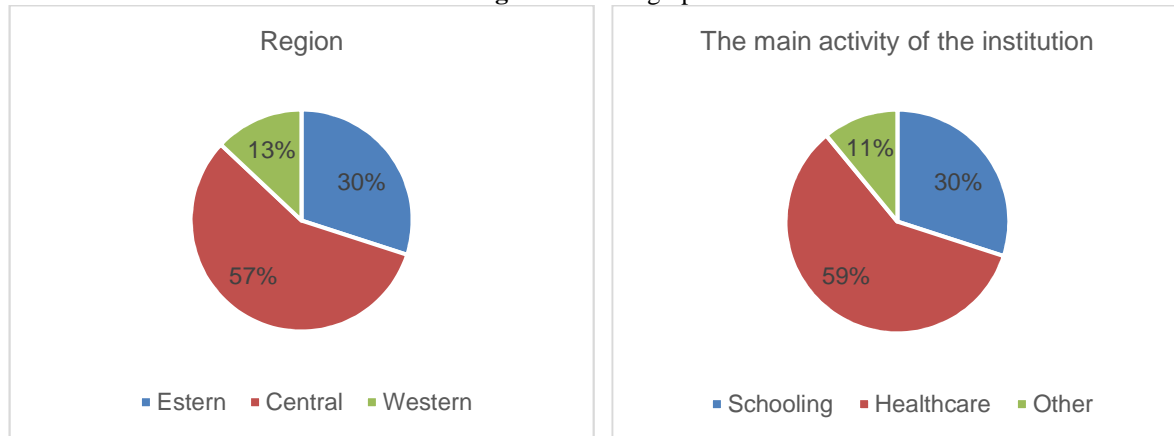
EMPIRICAL RESEARCH

Within the research project of the College of Accounting and Finance in Ljubljana and the Faculty of Law of the University of Ljubljana, we investigated the intended use of public funds by users who simultaneously perform profit and non-profit activities.

The online survey was prepared and conducted in 2019. It was carried out from 19 April, 2019, to 15 July, 2019, in Ika, a free online tool (an open source online survey application available at <https://www.ika.si/>). The survey was successfully conducted and was completed on July 15, 2019.

A sample of the survey was presented by public institutions. The quantitative survey included and analysed the responses of a sample of this population. 330 respondents responded to the survey, of which 14% or 46 questionnaires were valid. We eliminated 86% or 284 of the questionnaires, as they were not filled in completely. The quantitative survey sample is therefore N = 46.

Figure 1: Demographics

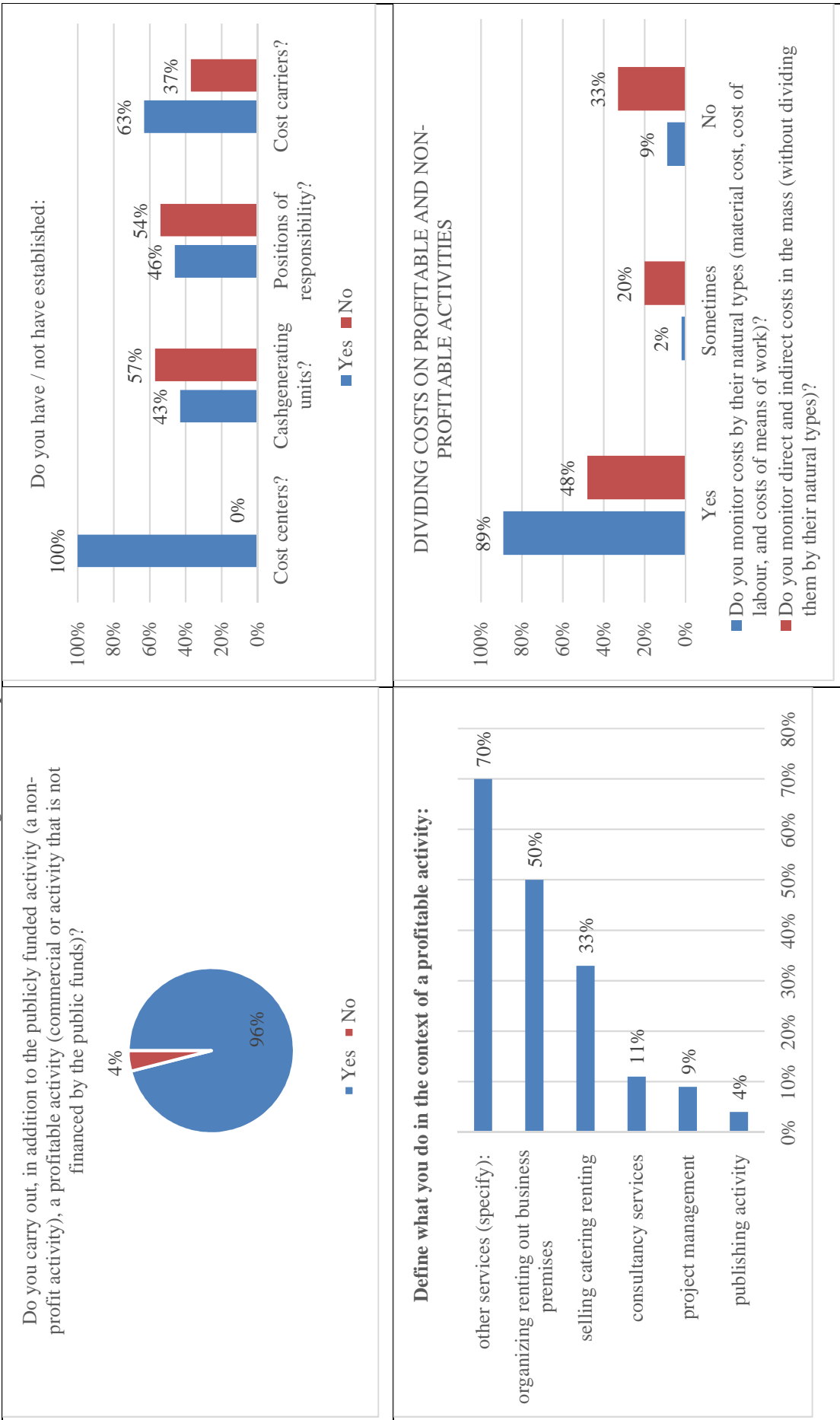


Source: Author's own source

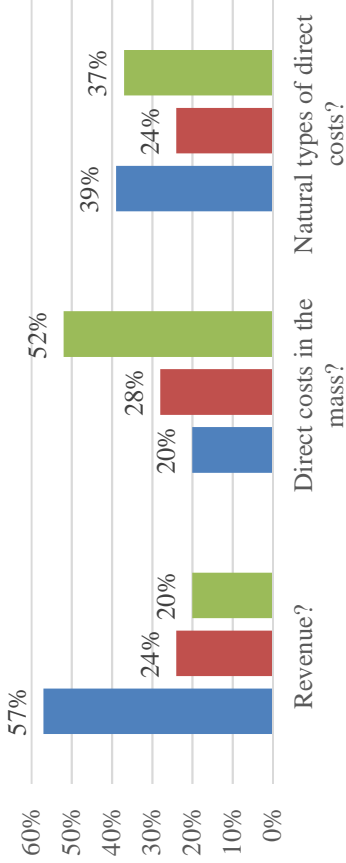
Figure 1 shows that 57 percent or 26 surveyed public institutions are from Central Slovenia, 30 percent or 14 are from Eastern Slovenia and 13 percent or 6 are from Western Slovenia. From Figure 1, it is also clear that the area of work of the surveyed public institutions is Health in 59 percent (27 respondents), Education in 30 percent (14 respondents), and Other in 11 percent (5 surveyed public institutions), such as social institutions and the institution of state.

Key characteristics of the data are expressed using descriptive statistics methods (Figure 2).

Figure 2: Descriptive statistics

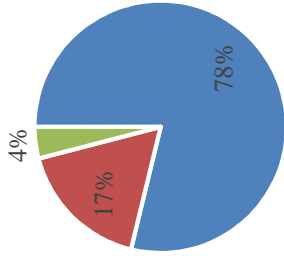


Do you allocate indirect costs to the cost centers based on:



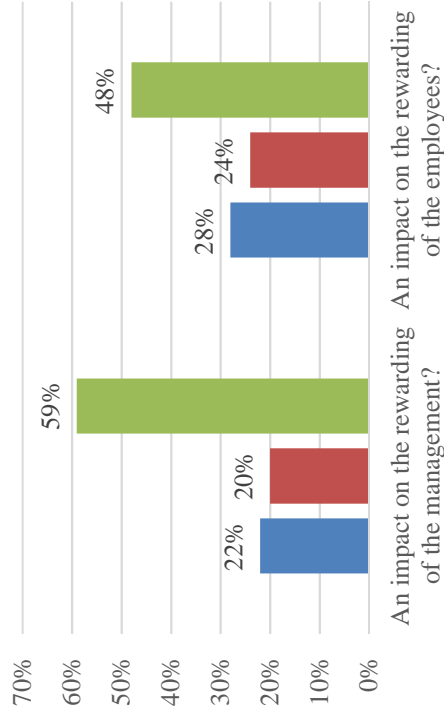
■ Yes ■ Sometimes ■ No

Do you use public funds (equipment, premises, etc.) to perform profitable activities?



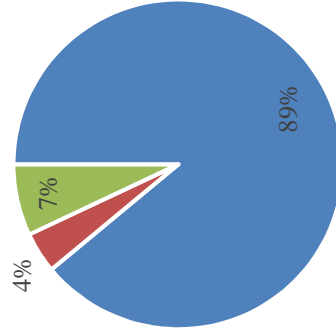
■ Yes ■ Sometimes ■ No

Does the positive financial result from the profitable activity (excess of revenue over expenses) have:



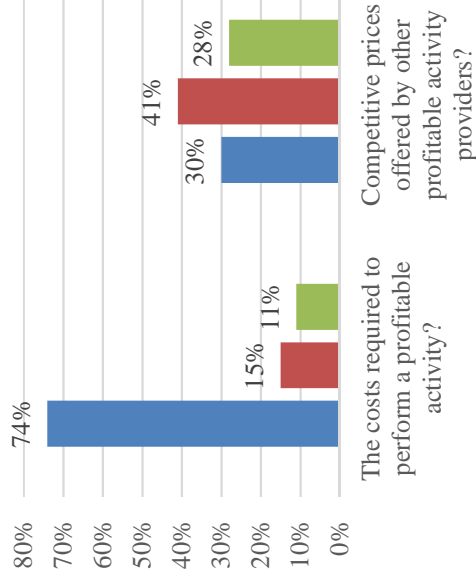
■ Yes ■ Sometimes ■ No

Do you allocate excess of revenue over expenditure to the institution's operations?

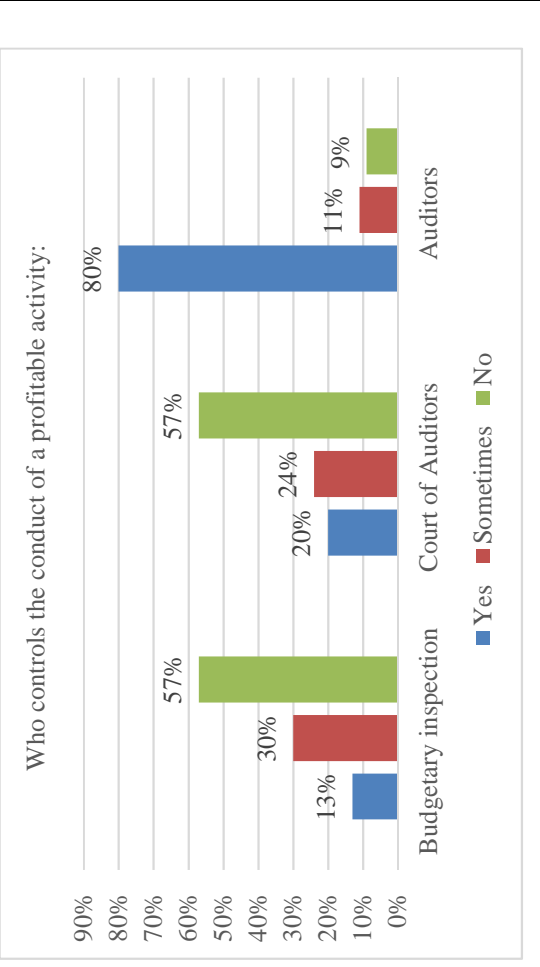
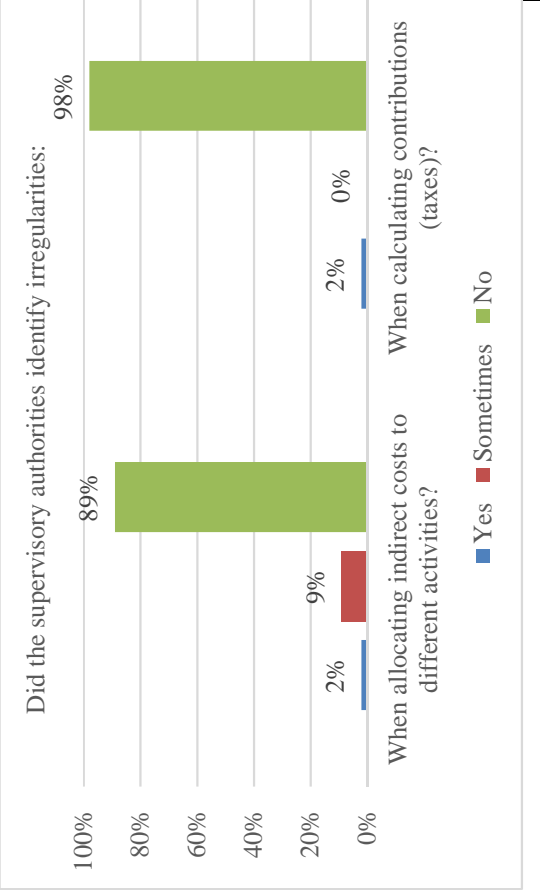
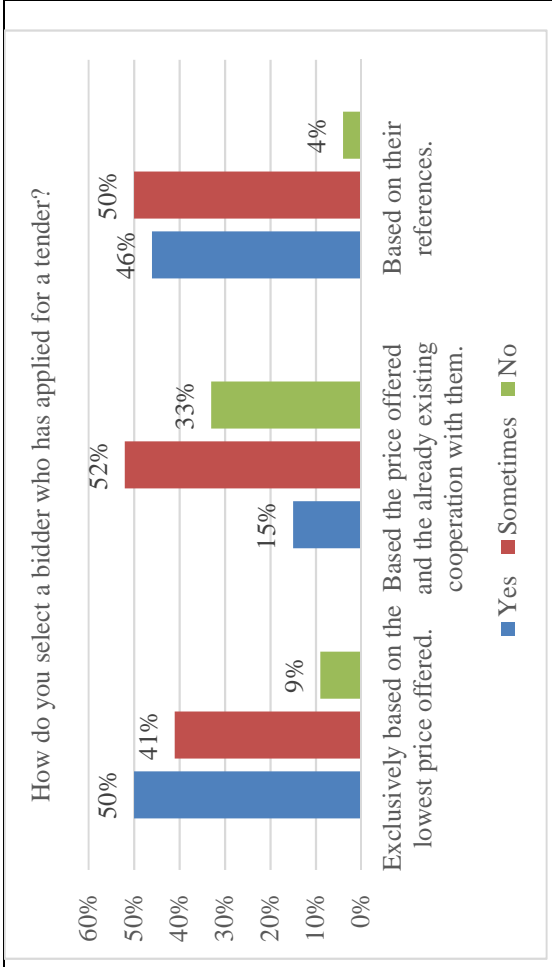
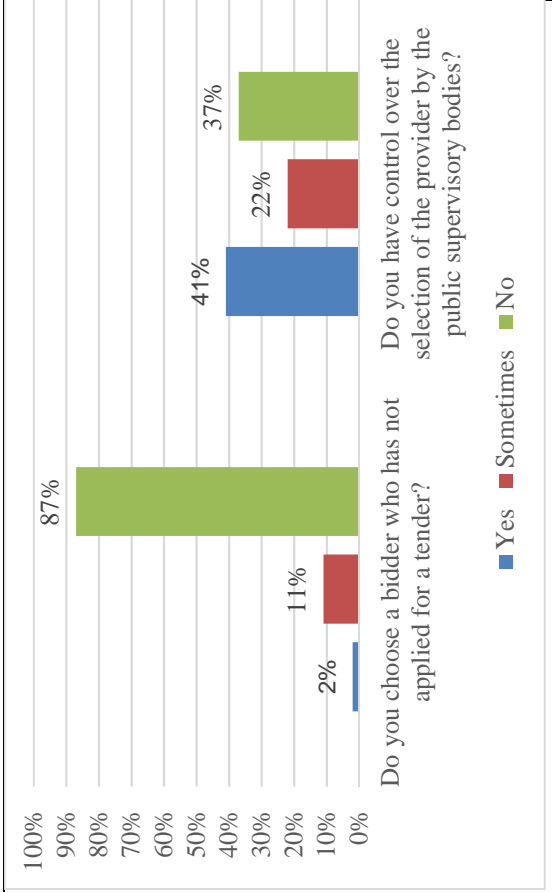


■ Yes ■ Sometimes ■ No

Are your sales price calculations based on:



■ Yes ■ Sometimes ■ No



Source: Author's own source

Most of the presented hypotheses, H1, H2, H3, and H4, were tested using version 21 of the SPSS statistical programme. Different tests were used for analysis. Interval estimation of arithmetic mean was used to test the first, second and third hypotheses – H1, H2 and H3. Chi-square test was used to test the fourth hypothesis – H4.

H1: Public funds (equipment, premises, etc.) are used by public institutions to carry out profit activities.

Table 1: Confidence interval results of the mean for the variable “Performance of profit activities for which public institutions use public funds (equipment, premises, etc.)”

	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
	Do you use public funds (equipment, premises, etc.) to perform profit activities?	46	97.9%	1	2.1%	47

Source: Author’s own source

Table 2: Results of the 95% confidence interval for the variable “Performance of profit activities for which public institutions use public funds (equipment, premises, etc.)”

			Statistics	Standard error
Do you use public funds (equipment, premises, etc.) to perform profit activities?	Mean		1.26	0.079
	95% Confidence Interval for Mean	Lower Bound	1.10	
		Upper Bound	1.42	
		5% Trimmed Mean	1.19	
	Median	1.00		
	Variance	0.286		
	Standard deviation	0.535		
	Minimum	1		
	Maximum	3		
	Range	2		
	Interquartile Range	0		
	Skewness	1.992	0.350	
	Kurtosis	3.263	0.688	

Source: Author’s own source

As is evident from Table 2, the variable of the performance of profitable activities for which public institutions use public funds (equipment, premises, etc.) has a mean value of 1.26. The 95% confidence interval equals [1.10, 1.42]. Therefore, on average, “Public institutions use public funds (equipment, premises, and the like) to perform profit activities (95%)” is at an interval [1.10, 1.42]. Based on the results of the confidence interval for mean, hypothesis **H1 is accepted.**

H2: Calculations of sales prices in public institutions are based on the costs necessary to perform the profit activity.

Table 3: Results of the confidence interval of the mean for the variable “Sales price calculation”

	Valid						Missing		Total	
	Valid		Missing		Total					
	N	Percent	N	Percent	N	Percent	N	Percent	N	Percent
Cost required to perform a profitable activity?	46	97.9%	1	2.1%	47	100.0%				

Source: Author’s own source

Table 4: Results of the 95% confidence interval for the variable “Sales price calculation”

		Statistics	Standard Error
Cost required to complete a profitable task?	Mean		0.100
	95% Confidence Interval for Mean		
	Lower Bound	1.17	
	Upper Bound	1.57	
	5% Trimmed Mean	1,30	
	Median	1.00	
	Variance	0.460	
	Standard deviation	0.679	
	Minimum	1	
	Maximum	3	
	Range	2	
	Interquartile Range	1	
	Skewness	1.615	0.350
	Kurtosis	1.37	0.100

Source: Author’s own source

As is evident from Table 4, for the sales price calculation variable, the mean value is 1.37. The 95% confidence interval equals [1.17, 1.57]. So, on average, sales price calculation with the 95% probability is at the interval [1.17, 1.57]. Based on the results of the interval confidence for the mean, the **H2 hypothesis is accepted**.

H3: A positive result from a profit activity (excess of revenue over expenses) has an impact on management remuneration.

Table 5: Results of the confidence interval of the mean for the variable “Management remuneration”

	Valid						Missing		Total	
	Valid		Missing		Total					
	N	Percent	N	Percent	N	Percent	N	Percent	N	Percent
Impact on management remuneration?	46	97.9%	1	2.1%	47	100.0%				

Source: Author’s own source

Table 6: Results of the 95% confidence interval for the variable “Management remuneration”

		Statistics	Standard error	
Impact on management remuneration?	Mean	2.37	0.122	
	95% Confidence Interval for Mean	Lower Bound	2.12	
		Upper Bound	2.61	
	5% Trimmed Mean	2.41		
	Median	3.00		
	Variance	0.683		
	Standard Deviation	0.826		
	Minimum	1		
	Maximum	3		
	Range	2		
	Interquartile Range	1		
	Skewness	-0.798	0.350	
	Kurtosis	-1.052	0.688	

Source: Author’s own source

As is evident from Table 6, for the variable “Management remuneration”, the mean value is 2.37. The 95% confidence interval equals [2.12, 2.61]. So, on average, management remuneration with the 95% probability is at the interval [2.12, 2.61]. Based on the results of the interval confidence for the mean, the **H3 hypothesis is rejected**.

H4: The lowest price offered is a more important factor in the decision to select a bidder who has applied for the tender than the existing cooperation with the bidder.

Table 7: Results of the chi-square test – contingency table for the lowest offered price and the existing cooperation with the bidder

			Based on the price offered and the already existing cooperation?			Total
			Yes	Sometimes	No	
Exclusively based on the lowest price offered?	Yes	Count	3	11	9	23
		Expected Count	3.5	12.0	7.5	23.0
		% within Exclusively based on the lowest price offered?	13.0%	47.8%	39.1%	100.0%
	Sometimes	Count	1	12	6	19
		Expected Count	2.9	9.9	6.2	19.0
		% within Exclusively based on the lowest price offered?	5.3%	63.2%	31.6%	100.0%
	No	Count	3	1	0	4
		Expected Count	0.6	2.1	1.3	4.0
		% within Exclusively based on the lowest price offered?	75.0%	25.0%	0.0%	100.0%
Total		Count	7	24	15	46
		Expected Count	7.0	24.0	15.0	46.0
		% within Exclusively based on the lowest price offered?	15.2%	52.2%	32.6%	100.0%

Source: Author’s own source

Table 8: The results of the chi-square test for the variables “The lowest price offered” and “Existing cooperation”

	Value	Degrees of freedom	Asymp. Sig. (2-sided)
Pearson Chi-Square	13,402 ^a	4	0.009
Likelihood Ratio	10.618	4	0.031
Linear-by-Linear Association	3.699	1	0.054
N of valid cases	46		

a. For 5 cells (55.6%) the expected count is less than 5. The minimum expected count is .61.

Source: Author’s own source

As is evident from Table 8, the p-value of chi-square test equals $0.009 < 0.05$, which means that the variables “The lowest price offered” and “Existing cooperation” are related at 5% significance level. Based on the results of the chi-square test, **H4 hypothesis is accepted.**

RESEARCH FINDINGS

We have come to the conclusion that the majority of the surveyed public institutions, in addition to the public financial activity (non-profit activity - SGEI), also perform a profitable activity (a commercial activity or activity financed by non-public funds). Within the profit-making activity, they provide above-standard health services, rent out business premises, sell food, organize events, provide consulting services, manage projects, etc.

All public institutions have established cost centres, about half of them have established cash-generating units, positions of responsibility and cost carriers. Most public institutions monitor costs by the nature of costs (material costs, service costs, labour costs and labour resources costs). About half of the public institutions record the direct and indirect costs together (without dividing them according to their natural types).

More than half of the public institutions allocate indirect costs to cost centres based on revenue. Half of the public institutions do not allocate indirect costs to cost centres based on direct costs in the mass.

More than three quarters of public institutions use public funds (equipment, premises, etc.) to carry out profitable activities. A positive business result or profit (excess of income over expenses) does not have a significant impact on the rewarding of the management and employees. Most public institutions allocate a surplus of revenue over expenditure to the operation of the institution. For about three quarters of the public institutions, the sales prices are based on the costs to perform a profitable activity.

Half of the public institutions select the bidder who has applied for the tender solely on the basis of the lowest price offered, and less than half of the public institutions sometimes choose the bidder who has applied for the tender solely on the basis of the lowest price offered.

In half of the surveyed public institutions, a bidder is sometimes chosen based on the price offered and the existing cooperation with them. Less than half of the public institutions also take into account the bidder’s references, and half of the surveyed public institutions sometimes take into account the bidder’s references. Most public institutions do not select a bidder who has not applied for a tender. Less than half of the surveyed public institutions have control over the selection of a provider by public supervisory bodies.

More than half of the surveyed public institutions say that neither the budgetary inspection nor the Court of Auditors control the performance of the profit activity. In most cases, the performance of the profit activity is supervised by auditors. In almost all public institutions, the supervisory authorities have not identified irregularities in allocating indirect costs to different activities, nor did the supervisory authorities identify irregularities in the allocation of charging the contributions.

Based on the hypotheses, we have come to the conclusion that public funds (equipment, premises, etc.) are used by public institutions to carry out profit-making activities. The calculations of the sales price in public institutions are based on the costs for carrying out profit activities. The bigger factor in the decision to select a bidder who has applied for the tender, is the lowest price offered rather than the existing cooperation with the bidder.

CONCLUSION

The survey found that the application of professional cost accounting rules is appropriate for establishing a system of separate recording of activities. Monitoring the activities increases the transparency of financial relations and suffices for the regulations that prohibit non-intended use of public funds in profit activities.

When designing an activity monitoring system, costs should be accounted for at least by the nature of the costs. Only such a basis provides quality criteria for allocating indirect costs and determining profit or loss by activity and impact.

The research has confirmed the research hypothesis as well as the fact that the correct application of professional cost accounting rules in separate monitoring of activities enables transparency of financial relations and reduces the possibility of non-intended use of earmarked funds.

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APPENDIX

Questionnaire

Q1 - Name of the institution:

Q2 - Region:

- Pomurska region
- Podravska region
- Koroška region
- Savinjska region
- Zasavska region
- Southeastern Slovenia
- Central Slovenia
- Gorenjska region
- Primorje-Inner Carniola
- Goriška region
- Coastal-Karst region

Q3 - The main activity of the institution:

- education (education, science)
- health (hospitals, health centres, pharmacies, spas, etc.)
- social work (social work centers, old people's homes, Day care centers, employment services)
- culture (libraries, museums, galleries, theaters, cultural homes)
- tourism
- sport
- justice
- development, infrastructure, transport
- local self-government (municipalities, inter-municipal inspectorate and police departments)
- institution of the state (ministry, administrative unit, government department, inspectorate, financial offices, embassy, police and geodetic administrations)
- Other:

Q4 - I. INCOME FROM PROFITABLE (COMMERCIAL) ACTIVITIES

	Yes	No
Do you carry out, in addition to the publicly funded activity (a non-profit activity), a profitable activity (commercial or activity that is not financed by the public funds)?	<input type="radio"/>	<input type="radio"/>

Q5 - Do you have / not have established:

	Yes	No
Cost centers?	<input type="radio"/>	<input type="radio"/>
Cashgenerating units?	<input type="radio"/>	<input type="radio"/>
Positions of responsibility?	<input type="radio"/>	<input type="radio"/>
Cost carriers?	<input type="radio"/>	<input type="radio"/>

Q6 - Define what you do in the context of a profitable activity:

Multiple answers are possible

- selling catering renting
- consultancy services
- project management
- publishing activity
- organizing renting out business premises
- other services (specify):

Q7 - II. DIVIDING COSTS ON PROFITABLE AND NON-PROFITABLE ACTIVITIES

	Yes	Sometimes	No
Do you monitor costs by their natural types (material cost, cost of labour, and costs of means of work)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you monitor direct and indirect costs in the mass (without dividing them by their natural types)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q8 - Do you allocate indirect costs to the cost centers based on:

	Yes	Sometimes	No
Revenue?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Direct costs in the mass?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Natural types of direct costs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q9 -

	Yes	Sometimes	No
Do you use public funds (equipment, premises, etc.) to perform profitable activities?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q10 - Does the positive financial result from the profitable activity (excess of revenue over expenses) have:

	Yes	Sometimes	No
An impact on the rewarding of the management?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
An impact on the rewarding of the employees?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q11 -

	Yes	Sometimes	No
Do you allocate excess of revenue over expenditure to the institution's operations?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q12 - III. SALES PRICE CALCULATION FOR PROFITABLE ACTIVITY

Are your sales price calculations based on:

	Yes	Sometimes	No
The costs required to perform a profitable activity?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Competitive prices offered by other profitable activity providers?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q13 - IV. CHOOSING THE BEST BIDDER

How do you select a bidder who has applied for a tender?

	Yes	Sometimes	No
Exclusively based on the lowest price offered.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Based the price offered and the already existing cooperation with them.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Based on their references.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q14 -

	Yes	Sometimes	No
Do you choose a bidder who has not applied for a tender?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you have control over the selection of the provider by the public supervisory bodies?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q15 - V. MONITORING THE CONDUCT OF THE PROFITABLE ACTIVITY

Who controls the conduct of a profitable activity:

	Yes	Sometimes	No
budgetary inspection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Court of Auditors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Auditors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q16 - Did the supervisory authorities identify irregularities:

	Yes	Sometimes	No
When allocating indirect costs to different activities?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When calculating contributions (taxes)?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>