Activity of the Ministry of Education and Research in Issuing Vocational Training and Informal Education Licences to Adult Education Institutions

Summary

"A knowledge-based society needs all its members in all areas of life to be equipped with the newest knowledge and professional skills. Reforms in the education system and the introduction of a lifelong learning system should ensure all people, regardless of their age, the attainment of knowledge and skills that would enable them succeed in the fast changing life." UNESCO Second International Congress on Technical and Vocational Education, 1999 Seoul. Extract from the Project of Lifelong Learning Strategy published on the home page of the Ministry of Education and Research.

One of the most important elements of lifelong learning is adult vocational training and informal adult education. In Estonia, it is mostly private educational institutions that are engaged in this field, the activity of which is regulated mainly by the Adult Education Act and the Private Schools Act.

In accordance with the Adult Education Act, private schools that organise adult vocational training and informal adult education for a period exceeding 120 academic hours shall obtain an education licence issued by the Ministry of Education and Research. Educational institutions shall apply for an education licence for each curriculum separately. As on 1 April 2003, 225 adult education institutions had obtained licences for 885 curricula. Nevertheless, several educational institutions, including some large and recognised ones, are operating without education licences, claiming that they provide training for less than 120 academic hours.

The State Audit Office's (SAO) made the decision to audit issuing of adult education licences, taking into account the importance of lifelong learning and the SAO's previous knowledge that several questions in this area need a better regulation than to date.

Main Observations

- The Adult Education Act and the Private Schools Act regulating adult education leave several questions concerning the activity of adult education institutions insufficiently regulated, and together allow for different interpretations. The Adult Education Act does not establish requirements to educational institutions, therefore, the provisions of the Private Schools Act must be observed. However, the purpose of the Private Schools Act is principally to regulate the activity of educational institutions that provide formal education, and the Act is not applicable to adult education institutions.
- The regulation and organisation of issuing activity licences to adult education institutions does not ensure training quality or information necessary for interested persons for choosing training.
- Division of education licences into vocational training and informal education licences does not serve a substantive purpose. Persons interested in training do not reach their decisions on the basis of the type of the institution's licence, but rather on the content and quality of training, and on whether the institution has a licence at all.
- The requirements provided by the law for the curricula, academic staff, and material base of adult education institutions are unclear or entirely absent, making it impossible to assess their conformity when issuing a licence or assessing the activity of educational institutions.
- The Ministry has treated all licence applicants equally, and has not insisted on unreasonable requirements. All who submitted the documents as required by the law, have received education licences. Processing applications means actually registration of educational institutions and their curricula, where the officials are not required to apply their discretion.
- Internal audit measures have not been implemented in application processing to the extent necessary. Not all decisions concerning applications have been made during the terms provided by the law. Besides, the Ministry had no overview on whether the state fees for the licences had been paid. Although the act subject to the state fee is decision making about each curriculum, the Ministry has not claimed state fees according to the number of the approved curricula, but the number of licence documents on paper (one licence may have several approved curricula recorded thereon).
- The legislation does not establish the procedure for supervision of the activity of adult education institutions, the institutions exercising the supervision, nor the sanctions that could be imposed where deficiencies are identified. Education licences cannot be declared invalid. The Ministry's

staff has not inspected the activity of adult education institutions. Neither have the county governors a specific obligation to inspect whether educational institutions have licences, and if they do, whether the institutions still meet the relevant requirements.

- The regulation concerning the reduction of taxable income by training expenses makes the reduction of taxable income dependant on the existence of an education licence, not on whether training has been received on the basis of the curriculum that the educational institution had its licence for.

Main Proposals
To the Minister of Education and Research

- To decide whether the state should set substantive requirements for adult education institutions that provide adult vocational training and informal adult education. If so, to establish the requirements, and submit an application to include them in the Adult Education Act. If not so, to submit an application to waive the requirement of licences for these educational institutions, and to decide whether:
    - it is necessary to require registration in the state register of undertakings operating in areas of activity subject to special requirements instead of the activity licence requirement, or
    - it is enough that the Ministry enters into contracts with non-profit associations uniting the educational institutions, whereby the latter will have the obligation to create and publicize databases that enable the educational institutions to inform interested persons of the content, volume, and training conditions provided by them as well as the indicators on the bases of which the interested persons are able to decide about the training quality.
- To implement measures in order to ensure adherence to the terms prescribed for the acts in application processing, in collection of state fees for each approved curriculum, and in inspection of collection of state fees.
- To make a proposal in concordance with the Ministry of Finance for a provision in the Private Schools Act stipulating that the state fee must not be paid for a licence document on paper describing the Minister's decision, but for the Minister's decision reflecting the result of the examination of the licence application.

To the Minister of Finance

- To decide in concordance with the Ministry of Education and Research whether a resident natural person should have the right to deduct all training expenses provided in § 26 of the Income Tax Act from his or her income during a period of taxation, or only the training expenses paid for the courses that the educational institution has the licence for. If the latter option prevails, to make a proposal through the Government of the Republic to amend the wording of § 26 of the Income Tax Act.

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The Minister of Education and Research, Toivo Maimets delivered the Ministry's statements to the SAO signed by the head of the Monitoring Department, Kadri Peterson. The Ministry agreed to almost all of the SAO's conclusions, and considered the SAO's proposals relevant and rational. However, no communication was made of any specific decisions to eliminate deficiencies or implement any proposals approved by the Ministry. The Ministry remarked that according to the education policy decisions, the issues pertaining to adult education have been left to be regulated by the market, presuming that the quality of adult education is not as much influenced by the state-prescribed requirements as by the growing awareness of the training participants and the supply-demand relationship.

The Ministry of Finance (Secretary General, Aare Järvan) reported that he supports the amendment to the Private Schools Act whereby the state fee for an education licence shall be paid before applying for the licence, and will make a proposal to specify the wording concerning the calculation of training expenses in the Income Tax Act.

Jüri Kõrge
Head of Department of Audit of Operational Risks