

EUROSAI Training Event: Auditing of Social Security Systems

# Social Services Support

Discussion Group 3



Supreme Audit Office  
Czech Republic

- **Discussion Group Leader:** Mr Colin Maynard
- **Reporters:** Jiřina Rosenkrancová, Klára Pálková
- **Presenters from 10 countries:** Bulgaria, Macedonia, Ukraine, Hungary, the Czech Republic, Poland, France, Lithuania, Slovenia and Finland.

# Bulgarian experience with audits in the field of Family policy

- **4 audits were performed** – focused mostly on the employment issues (young people; disabled people;...)
- **Main findings were:**
  - Lack of interest of young people to work in Public Administration;
  - Bad record keeping by Employment Agency;
  - No rules or procedures for the coordination of work among Programme implementing organizations;
  - Insufficient involving of beneficiary organisations in the realization of the programme;
  - No measurement indicators meaning that effectiveness can't be determined.

- **Audit focus:** Legal framework of family protection, adequacy of numbers of personnel in Centres for Social Care, cooperation among institutions (Ministry, Bureau for Social Work, Centers for Social Care).
- **Conclusions:**
  - family protection has adequate legal regulations;
  - social care institutions don't have adequate resources (finance, human, equipment, training);
  - lack of cooperation between the institutions involved.

# Ukraine: Audit of Social Services Support of Women and Children

- **The audit was focused mainly on implementation of programs of :**
  - Social security for orphaned children;
  - Management of payments of child birth benefit.
- **Main audit findings:**
  - Ministry did not provide the proper strategy and organization and legal support of implementation of both programs;
  - Poor management of social security for orphaned children leading to underuse of funds and, on the other hand, not providing support to all those entitled;
  - The system of setting and payment of child birth benefit has an inadequate legislative form, leading to ineffective use of budget funds.

# Family policy in the Czech Republic

- **Two audits:**
  - **Audit of management of juvenile correctional educative institutions**
    - Found deficiencies in a financial management in case of Ministry and in bookkeeping in case of contributory organisations.
  - **Financial means provided from the state budget for family support**
    - Insufficient fulfillment of the Action Plan;
    - Insufficient evidence for support Decisions;
    - Insufficient financial control made by the Ministry.

# Hungary: Privatisation of Medical Services

- Audit should answer 3 main questions:
  - **Does privatisation comply with goals of health policy?**
    - Goals were not set;
    - Spontaneous developments which sometimes contradict objectives of health policy.
  - **Has the quality of health care improved?**
    - Contracts did not contain measurable criteria, thus compromising evaluation;
    - No apparent difference in quality between private and state clinics.
  - **Have the properties been adequately utilised?**
    - Only rare occurrences of assets sale;
    - Lack of competitive bidding.

# Conclusions – day 1 (1)

- Demographical changes are increasing demands on funds required for social services, pensions and health care in particular. The post-communism transition has made such problems worse for many countries.
- In this difficult context SAIs have a duty to:
  - Clearly identify gaps between the resources required to implement social legislation and the resources made available to the bodies responsible for their implementation.
  - Emphasise the need to apply good practices in the management of social services to maximise effectiveness in the interests of deserving beneficiaries.

- **Main common findings:**
  - Failure to set goals and targets in the form of measurement indicators which could be used to evaluate the effectiveness of social services programmes;
  - Failure to adequately coordinate the activities of organisations involved in the implementation of social services programmes.

# Poland: Experiences of Auditing Homes for the Aged and Orphanages

- **Audit objective:** evaluate the standard of services in homes for the aged and in orphanages.
- Together with SAI of Poland the Health-services and the fire brigades also participated in the audit.
  
- **Results:** The majority of required standards were not introduced:
  - Failure to observe fire and health regulations;
  - Inadequate facilities in homes for the aged;
  - Orphanages were overpopulated.

# France: Audit of NGOs funded by state budget or donations and working in social fields

- France has about **one million NGOs**, ¼ is working in social fields, some larger ones play leading role in certain areas of social support.
- In addition to NGOs funded by state subsidy, the SAI also audits those funded by national calls to citizens for donations to verify conformity with the aims announced.
- **Difficulties:**
  - NGO often gets subsidies from different public authorities - necessity to connect SAI's audits;
  - Large numbers of NGOs means that they are seldom audited;
  - More and more groups of NGOs are organized at different levels, local and international, but the accounts are seldom consolidated.

# Lithuania: Social integration of the disabled

- **Audit objectives:** evaluate existing system of social integration of disabled, identify performance problems, issue recommendations for system development.
- **Audit findings:**
  - Planning did not take into account numbers of the disabled in individual territories;
  - Insufficient co-operation with counties and municipalities;
  - Ineffective use of Programme funds, violations of terms of contracts;
  - A risk that the same activity could be financed from both – State Budget and municipal budget.
- **Main recommendations:**
  - Simplify financing procedure and do more focussed planning.

# Experience of the Court of Audit of the Republic of Slovenia

- **Regularity audit of the Paraplegic Association of Slovenia.**
- **Objectives of audit:** accuracy of execution of special social programmes, accuracy of investments, salaries and other labour expense.
- **Main findings:**
  - incorrect reporting;
  - incorrect payments of salaries, awards and travelling expenses.
- **Qualified opinion with limitation on scope.**

# Finland: Role of NGO in Preventing Public Health Problems

- NGOs financed by the association collecting gambling revenues play a significant role in providing health care services.
- **Case study** of 7 projects of health prevention
- **Critical audit findings:**
  - shortcomings in planning and target setting;
  - lack of diversified interventions;
  - lack of resources needed for broad action programme;
  - health promotion left up to NGOs.
- **Results:**
  - The role of NGOs in preventing major public health problems is unclear – preventive work should receive more attention at national and local level.

## Conclusions – day 2 (1)

- SAs are increasingly facing the obligation to audit NGOs financed by the state or public donations and providing social services. These can be numerous and vary widely in terms of size, role, volume of funding, structure and management, which can complicate the audit task. Often NGOs are not as familiar with the audit process as government departments.
- In view of the often significant role of NGOs in providing social services it is important they are subjected to regular audits by SAs or other public sector audit bodies (assessing both regularity and performance).

- The task of auditing NGOs is complicated when they are financed from several sources. In some countries NGOs financed to high degree by state subsidy are obliged to have all their activities audited by SAI.

Thank you for your  
attention!