



Ministry of Labor, Family, Social Protection and Elderly People
National Agency for Payments and Social Inspection

SOCIAL INSPECTION

Detecting EFC in Romania: benefit inspections

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Session4, Romania

WORKSHOP ON
REDUCING ERROR, FRAUD & CORRUPTION (EFC) IN SOCIAL PROTECTION
PROGRAMS

June 8-12, 2014, Opatija, Croatia



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SOCIAL INSPECTION IN ROMANIA

Motto:

“It cannot well be expected that managers of other people’s money would watch over it with the same anxious vigilance with which they watch over their own.... ”

Adam Smith





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National Agency for Payments and Social Inspection

National Agency for Payments and Social Inspection (NAPSI)

- Specialized body of the central government, subordinated to Ministry of Labor, Family, Social Protection and Elderly people
- Role in:
 - Implementation of policies and strategies of the national welfare
 - Ensuring a good management of social benefits and other social services programs supported by the state budget
 - Ensuring control and inspection activities in order to reduce error, fraud and corruption, and focus social benefits and social services to the most disadvantaged segments of the population



Organization and administration NAPSI

- NAPSI has 42 county agencies
- The number of posts: 1,494
 - 87 central level
 - 1.407 at territorial level
- There is a Social Inspection Department within each county agency
- The number social inspectors is 290, 21 at the central level and the rest within county agencies
- The number of posts differs from one county to another (from 3 to 10 per county)
- The posts are filled by civil servants with higher education (the legal status of social inspector is set by regulation)



Organization and administration NAPSI

- Social Inspection Directorate
- Funding Directorate and Financial Management
- Department of Human Resources Management, Training and Social Inclusion
- Also three more important departments of the institution:
 - social investigation department (role in collecting information on cases with suspicions of fraud)
 - monitoring and statistical section (involved in gathering, checking the accuracy and processing of reports submitted by local agencies)
 - IT department



Responsibilities of Social Inspection Directorate

- Develop methodologies for inspection, operational procedures, guidelines and instructions necessary for carrying out inspection activities
- Advise the labor inspectors of the local agencies of social inspection on the implementation of methodologies and working procedures for control
- Check on social inspectors, employed by the county agencies to monitor counseling activity of social services providers
- Carry out social investigation
- Collect data and information contained in thematic reports from the county level to achieve national thematic report



Responsibilities of Social Inspection Departments of local agencies

- Perform control activities of the establishment, granting social benefits
- Assess, monitor and control the social services providers (public and private) in terms of quality standards, cost and efficiency of their performance
- Providing information to public and private social assistance benefit and service providers
- Find acts that violate the law of social assistance and apply sanctions
- Notify the competent prosecution if an offense is committed



Types of inspections performed by Social Inspection

- *Thematic campaigns* –establish by the Annual Control Plan (in social assistance benefits and social services area)
- *Spot check* as a response to notifications, petitions
- *The accreditation of* social services



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Annual Control Plan

- Approved by the Minister of Labor, Family, Social Protection and Elderly People
- Designed to meet the objectives set in the strategic plan of the Memorandum on the strategy for modernizing social assistance system, which stipulates that all programs at high risk of EFC are subject to annual inspections
- Thematic campaigns including both the social benefits and social services
- Published on the website of the institution



Training and coaching social inspectors

- A training plan is linked to the annual control plan and new control methodologies (e.g. cross checking)
- An initial training for the new arrivals
- A continuous training within
 - Periodic sessions, workshops (internal training)
 - Seminars, conferences
 - Training with World Bank experts



1. Activity of the Social Inspection between 2007 and 2010

- ***In 2007, 2008 and 2009, inspections were conducted mostly in the area of social services:***
 - *34 national thematic campaigns seeking to identify problems in the organization and operation of social services*
 - *2 thematic control campaigns with regards to how social benefits are set and granted.*
- ***In 2010, control campaigns were more balanced between the areas of social services and social benefits:***
 - *3 inspection missions targeting social services*
 - *3 thematic control campaigns targeting the granting of social benefits*

Activities of the Social Inspection were affected by the institutional reorganization, in the last quarter of 2009 and the beginning of 2010 when the Social Inspection was taken over by the Labor Inspection



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2. Activity of the Social Inspection between 2011 and 2012

- In **2011**, five national control campaigns were conducted:
 - *2 national thematic campaigns seeking to identify problems in the organization and operation of social services*
 - *3 thematic control campaigns with regards to how social benefits are set and granted.*
- In **2012**, social inspection activities were carried out within the National Agency for Payments and Social Inspection as a result of **institutional reorganization**, and several campaigns were conducted as follows:
 - *5 national thematic campaigns seeking to identify problems in the organization and operation of social services*
 - *5 thematic control campaigns with regards to how which social benefits are set and granted.*



3. Activity of the Social Inspection in 2013

In 2013

- Inspections based on risk analysis are conducted for the first time
- The method of cross-checking the information held by public databases (the National Tax Administration Agency and the Public Pension National Fund) was used for the identification of persons posing high risks of error, fraud and corruption
- Inspection missions targeting the setting, granting and payment of the six social assistance benefits (child raising allowance, family allowance, income support, disabled person allowance, child state allowance and heating allowance)
- A campaign intended to monitor how quality standards within social services are met was conducted



3. Activity of the Social Inspection in 2014

In 2014, the following were conducted:

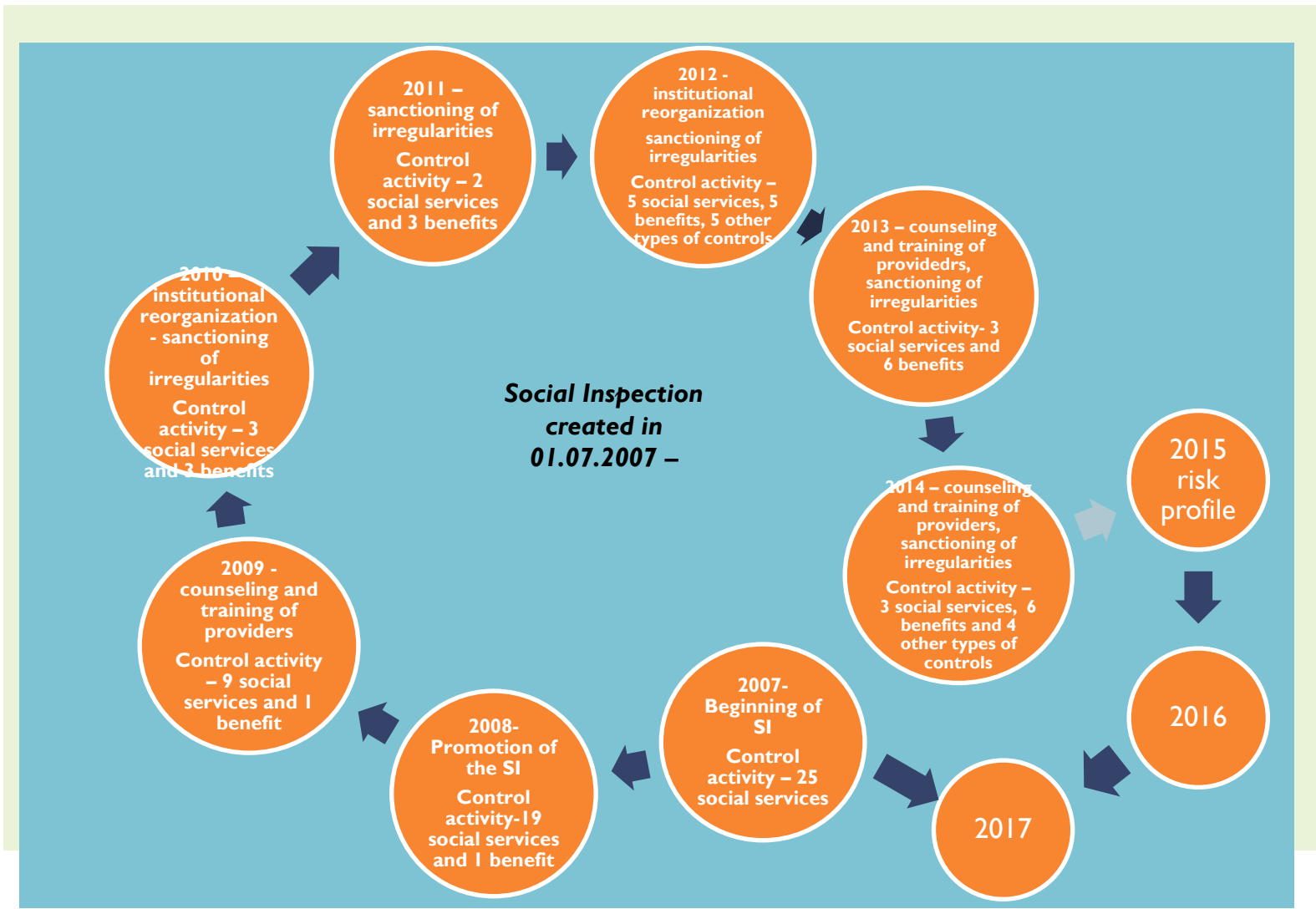
- **6** campaigns seeking to “*Streamline the use of funds within the social assistance system*” by using :
 - *Data matching method*
 - *Statistical methods for the identification of risk profiles of error, fraud, and corruption*
- **3** campaigns seeking to ,”*Improve the quality of public and private social services*”



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Activity of the Social Inspection between 2007 and 2014 and projections for the 2015-2017 time interval





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Results of inspections

EXAMPLE:

The income support (GMI) program between 2011 and 2013

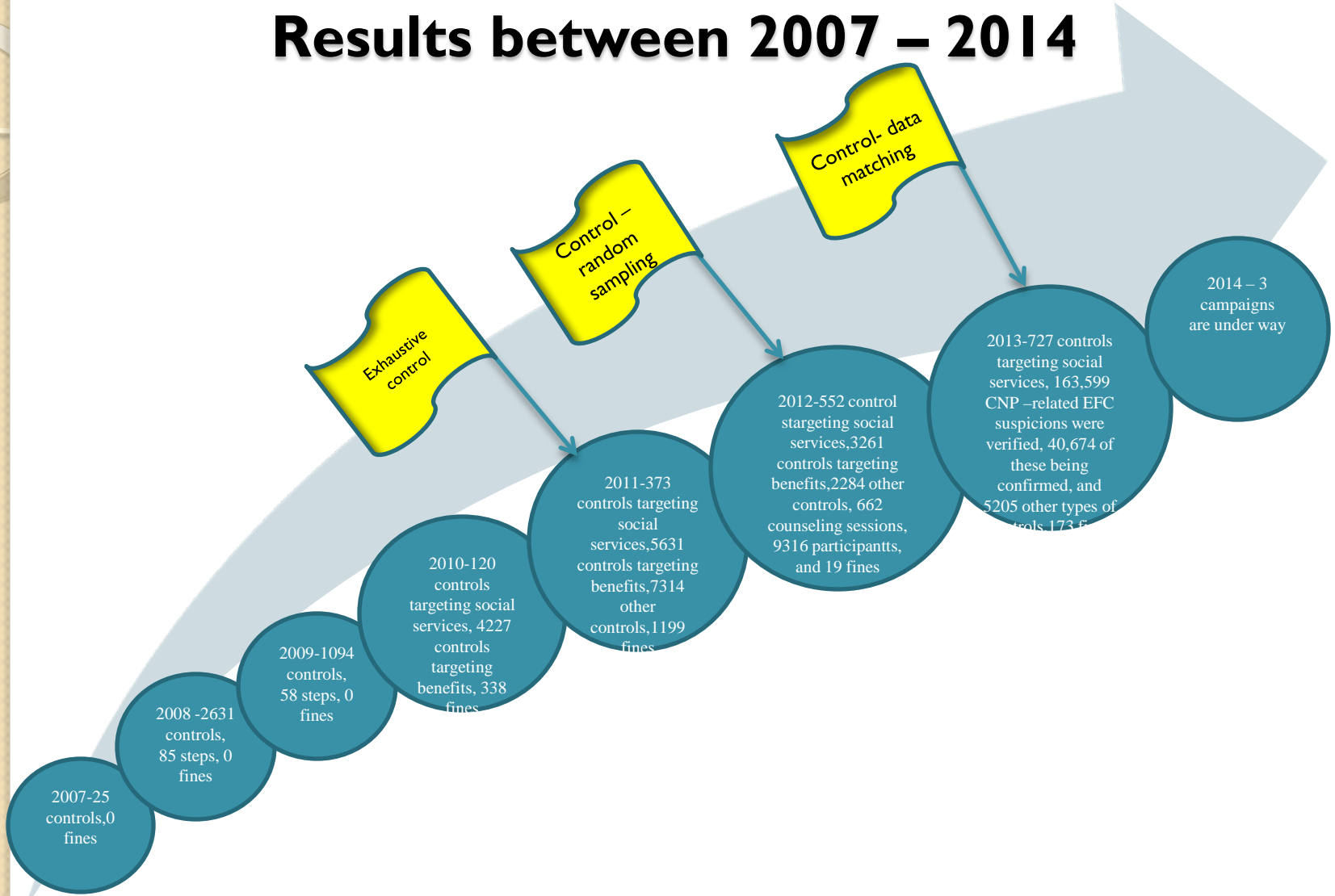
2011 EXHAUSTIVE CONTROL	
Files subject to verification	195,090
Percentage of files subject to verification out of the total number of beneficiaries included in payment	100%
Files suspended/terminated following controls	16,953
Files suspended/terminated out of the number of files subject to verification	8.68%
Fines	392
Amount	879,500
Amount overpaid - ESTIMATE	RON 1,322,732 (~ 307,612 euro)

2013 CONTROL – DATA MATCHING	
Files subject to verification	6,478 out 15,964 extracted
Number of files subject to verification out of the total number of beneficiaries included in payment	3%
Files suspended/terminated following controls	582
Files suspended/terminated out of the number of files subject to verification	8.98%
Fines	2
Amount	2,000
Amounts overpaid – 815 DECISIONS	RON 1,391,882 (~ 323,693 euro)

Comparing the results of the control conducted in 2011 with those of the control conducted in 2013, we can note that the data-matching control method resulted in significant time, human and financial resource savings



Results between 2007 – 2014





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„Upgrading the Social Assistance System of Romania” Project – Impact characteristics (2013-2016)

- Change in the approach => strengthening the capacity of the Social Inspection to conduct controls focused on error, fraud and corruption suspicions.
- New methodology for conducting controls related to the setting and granting of social assistance benefits
- *Changing focus of controls*– from social assistance benefit providers to social assistance beneficiaries => identification of non-eligible persons (due to administrative errors) or of those overpaid benefits (through fraud or corruption)



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Upgrading the Social Assistance System of Romania” Project Risk analysis criteria

Risk analysis criteria

- Composition of beneficiary families based on which a benefit is granted
 - *Deceased or non-existing persons*
- Erroneous declaration of the incomes based on which a social benefit is granted or not:
 - *Persons with undeclared incomes*
 - *Persons with incomes other than the declared ones*
- Multiple payments
 - *The same benefit for the same holder from several localities*
 - *The same holder for several benefits*
- Other infringements of the eligibility criteria
 - *Persons over 18 years of age who are not eligible for child state allowance*
 - *Persons who benefit from multiple social assistance programs (residential care and social assistance benefit)*



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Upgrading the Social Assistance System of Romania” **Project – Control stages**

- Identification and systematization of suspicions
 - Cross-checking
 - Identification of persons suspected of EFC

 - Control preparation and planning
 - Verification in the field
 - Result reporting

 - Aggregation of results at a national level
 - Insertion of results in database
 - Drafting of the national report
 - Proposing legislative amendments
- } CENTRAL LEVEL
- } SUBNATIONAL LEVEL
- } CENTRAL LEVEL



Example

Control campaigns focused on social assistance benefits 2014 – *General framework*

- Four social assistance benefits are verified simultaneously: income support, family allowance, child state allowance and child raising allowance => simplification of the documentation and a better management of the human resource deficit.
- Verifications are conducted in two stages
 - 1st semester
 - 2nd semester
- Institutions from which information can be obtained for cross-checking purposes:
 - The National Tax Administration Agency, according to the provisions of collaboration protocol dated january2013;
 - The Public Pension National Fund, according to collaboration protocol dated october 2011
- Institutions inspected at subnational level:
 - payment and social inspection of county and municipal agencies (specialized departments granting child raising allowance and child state allowance benefits);
 - city halls (specialized departments granting income support, and family allowance benefits).



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Example

Control campaigns focused on social assistance benefits 2014 – *Campaign preparation*

- Decisions on the initiation of campaigns are issued by the General Manager of the National Agency for Payments and Social Inspection
- Decisions on inspection teams
- A technical file of the inspection is prepared, which includes:
 - The control methodology
 - The specific legislation
 - Reporting and aggregation samples
- The technical file and the folders containing the list of persons suspected of error, fraud and corruption are sent to the locality of inspection the
- Assignment of files to social inspector



Example

Control campaigns focused on social assistance benefits 2014 – *Conduction the campaign*

- Administrative verification
 - *Files of beneficiaries are verified*
 - *Income certificates are requested from employers*
 - *Certificates are requested from administrative territorial units.*
- Verification conducted at the premises of the entity subject to control
 - *Decisions on mitigation measures (benefit suspension or termination, debt recovery)*
- Control completion
 - *Control minutes are prepared, which specify measures distinctly for each benefit*
- Monitoring
 - *Implemented measures recorded in the database of territorial agencies*
 - *Sanctions are applied for failure to implement such measures.*



Example

Control campaigns focused on social assistance benefits 2014 – *Campaign results*

These checks result in:

- Measures to remedy deficiencies identified , specified in the inspection control protocols
- Sanctions for institution and / or individuals who have committed legal irregularities
- Referral to other institutions if irregularities are out of the area of competence ;
- Notification of the criminal investigation if applicable
- Application of corrective measures against the transgressions



Example

Control campaigns focused on social assistance benefits 2014 – *Campaign completion*

- Preparation of the county report
 - *Identified cases of errors or fraud are aggregated*
 - *The implementation of the ordered measures is reviewed*
 - *Proposals for the improvement of activities or/and legislative amendment proposals are made*
- Preparation of the national report
 - *Identified EFC cases are aggregated at a national level*
 - *Changes are introduced in the computerized database of the institution*
 - *Identified debts are recorded*
 - *Legislative amendment proposals are aggregated*
 - *The report is posted on the institution's website following approval*
 - *The report is sent to interested institutions*



Perspectives for the 2014 – 2016 time interval in social inspection activities

Control of social assistance benefits

- Completion of control campaigns based on data matching
- Conducting of control campaigns based on random sampling in order to identify the criteria for beneficiaries posing error, fraud and corruption risks
- Creation of error, fraud and corruption risk profiles
- Conducting of control campaigns based on risk profiles
- Analysis of the results obtained and proposals for the amendment of the legal framework

Control of social services

- Evaluation, monitoring and control of the quality of social services



Social Inspection activities after 2016

Control of social assistance benefits

- Statements contained in the applications for social assistance benefits, as well as documents attached to these will be checked prior to the benefit granting (*“prevention of fraud”*);
- Improved data-matching and risk profiling



Social Inspection in Romania

**Thank you for your
attention!**

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