

## MINISTRIES' SUPERVISION WITH REGARD TO CERTAIN SOCIAL SECURITY BENEFITS PROVIDED BY THE SOCIAL INSURANCE INSTITUTION

Overall responsibility for social security benefits and their development, supervision, monitoring and financing is in the hands of the Government and its ministries. As a rule, paying benefits has been delegated to public sector agencies. Among these the Social Insurance Institution has the broadest mandate.

The financial supervision of public administration is presently being developed to increase performance monitoring and accountability. One of the goals of development work is to strengthen ministries' role and responsibility as supervisors of their administrative sectors and performance monitors. Owing to the Social Insurance Institution's independent position, the possibilities of the Government and ministries to supervise the Social Insurance Institution are not as broad as within central administration. The main question in the present audit was how the ministries can fulfil their sectoral responsibility in an operating environment in which the provision of benefits is in the hands of an agency whose independent position is guaranteed by the Constitution.

The audit covered three types of social security benefits and the four ministries which are responsible for them. The

Ministry of Social Affairs and Health and the Ministry of Labour are responsible for unemployment benefits, the Ministry of Education takes care of student financial aid and the Ministry of the Environment provides general housing support. The audit investigated the ministries' activities in management, supervision and development tasks related to these benefits.

The audit indicated that the ministries' activities in supervising and monitoring budget funds appropriated for benefits are regular, documented and in line with

legislation regarding benefits. The ministries' activities in monitoring indicators concerning the economy and quality of benefit systems have been inadequate, however. All the ministries have a relatively good understanding of the development of handling periods for decisions, but systematic and documented monitoring was lacking even in this area. The monitoring of information concerning the effectiveness of benefit systems, such as the number and content of complaints and appeals and the reclaiming of benefits has been unsystematic.

The observed shortcomings are partly due to the Social Insurance Institution's independent position under Finland's Constitution, as a result of which the ministries have been very cautious in their relations with the Social Insurance Institution. The audit indicated that the ministries should clarify and define, with reference to the supervision and monitoring of social security benefits for which they are responsible, the significance of the Social Insurance Institution's independence on the one hand and the ministries' sectoral responsibility on the other. Both these viewpoints should be combined into an effective model which promotes the common objectives of the public sector.

Responsibility for overseeing, supervising and arranging the Social Insurance Institution's activities is in the hands of the Social Insurance Institution's own organs and the Parliamentary Trustees of the Social Insurance Institution. The ministries cannot formally supervise the Social Insurance Institution in the provision of benefits except through legislation regarding benefits. So that the ministries can rapidly perceive the need to amend legislation and react accordingly, they need broad and systematic monitoring information concerning the effectiveness, costs and quality of the provision of benefits.