



Summary
of the Audit on the Operation of the Record Systems Applied in the
Eligibility Scheme of Benefits and Services Provided from the
Social Security Funds (1285)

Objectives and scope of the audit

Within the framework of our audit we evaluated the set-up and operation of the record systems of social security services, the basic registries of managing bodies (National Health Insurance Fund, Central Administration of National Pension Insurance, National Tax and Customs Administration), as well as the dataflow amongst them. In addition, we evaluated the control system of fulfilling the data provision obligation, the IT support activities and whether the records had proven reliable in supporting services in compliance with eligibilities and in filtering unjustified services. The audited period covered the years 2007-2010.

Main findings

The experience gained during our audit underlined that the record systems fulfilled their functions and essentially contributed to the establishment and disbursement of pension and social security services. Many positive changes took place in the audited period. Due to regular data clarifications and cross-checks, the data became more reliable and updated. Consequently, the number of those possessing a social security number without any data available as regards legal relation decreased to one third in the health insurance sector and the number of those paying health care service contribution nearly doubled from 2007 to 2008.

The effectiveness of the operation of the social security system is demonstrated by the fact that during one and a half years, out of nearly five million administrative cases only 26 thousand had to be amended at the National Health Insurance Fund, while in case of the Central Administration of National Pension Insurance altogether 4-5% of the 350 thousand conclusions in a yearly average were appealed against.

However, we experienced processes having an unfavourable impact on the effective and efficient operation in several areas. The legislation did not contain stipulations concerning important topics related to the handover and takeover of data between state organisations. As regards the handover and quality of data, the specifications concerning satisfactory execution were missing. The division of

tasks and responsibilities between the organisations were not fully regulated, control functions and overlaps between record systems had not been eliminated.

There were no criteria set in terms of effectiveness and efficiency for the branches of social security and managing organisations, the indicators and index numbers concerning data flows and record systems were missing.

In the pension sector the adequacy of the structure and usability of data provided by the tax authority (data concerning income and term of service gathered from declarations of contribution) remained debated between the Central Administration of National Pension Insurance (CANPI) and the National Tax and Customs Administration (NTCA) in the audited period. The problems arose basically from the complexity of the data files of the two organisations, as well as the differences in their databases. Handling these problems did not proved successful until the closure of the audit, therefore from 2011 it has posed serious risk that the data the employers provided the CANPI with, has been replaced by the data provision of NTCA.

The record systems were supported by complex and complicated IT systems, whose operation represented a risk in itself. Within their limited possibilities, the entities managing record systems strived to set-up systems adapting to the continuous change of the legal framework, however, they did not seek to establish their employers' record systems of the same purpose and function as a joint, cost-efficient development.

Another deficiency is that the National Health Insurance Fund did not specify those processes for the IT function that are of critical importance in terms of task performance, neither did they define requirements as regards availability and performance. The IT Security Policy is outdated, no business continuity plan and emergency plan were elaborated, the spare server room was missing and the supervision of IT security was not ensured.

We formulated our **recommendations** for the management bodies, as well as the director general of the National Health Insurance Fund. Our recommendations made to the Minister of Human Resources and the Minister for National Economy focussed on the specification of criteria of data transfers and data quality, as well as the index numbers and indicators of record systems. At the same time, we recommended to harmonise the concurrent data provision of employers. In order to protect the eligibility of those insured for their pension, we consider it important that the employers' declaration of contribution shall be available for CANPI per person, per month.

We recommended the director general of the National Health Insurance Fund that the professional departments managing the registries should elaborate the critical processes regarding registry-management for the IT department, as well as the requirements as regards availability and performance; moreover, they should prepare the missing business continuity and emergency plans, allow for the continuous operation of the supervisory system, the establishment of a spare server room, as well as to update the IT Security Policy.