



Cámara de Cuentas
Comunidad de Madrid

AUDIT OF PUBLIC WELFARE INSTITUTIONS

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AUDIT OF PUBLIC WELFARE INSTITUTIONS

■ Social Welfare

- Benefits in favour of people on lower incomes
- Varied fields: the elderly people, disabled people, battered women, victims of terrorism, imprisoned persons, people with addictions, people in social emergency, prostitution, ...

- Economic benefits
- In-kind donations
 - elderly home assistance
 - children under the guardianship
 - lodging or housing
 - sanitary services (refugees, immigrant people without documents, ...)
 - etc.



Audit of Public Welfare Institutions Objectives

- Planning social activities established by law
 - **Verify the level of efficiency in development and accomplishment of legal norms**
- Developing social care activities
 - Recognising situation of necessity
 - Checking requirements of the claimants
 - Performing direct social care activities
 - **In compliance with the rules**
 - **Rights of claimants**
 - **Correct use of public economic resources → efficacy and efficiency**
 - **Internal audit**



Audit of Public Welfare Institutions Objectives

- Audit how public institutions grant and manage social benefits

- Audit of social services outsourcing
 - contractual procedures (current law, efficiency and efficacy,...)
 - ensure compliance with the internal audit rules that the social public institutions develop



SOCIAL CARE PROGRAMMES FOR THE ELDERLY

■ Subjective scope

- Public institutions in charge of programmes for the elderly in Madrid region
- Direct claimants of subsidies
- Public or private institutions that provide services for the elderly through outsourcing

■ General Aims

- Evaluation of goals achievement set in budget programmes
- Analysis of personal, material and financial means
- Control of strategic and management indicators set in those programmes



SOCIAL CARE PROGRAMMES FOR THE ELDERLY

- Analysis of personal, material and financial means to achieve the objectives
 - comparative evaluation on varied forms of management
 - and analysis of their evolution during the last 3 years

- Analysis of the management and control of expenditure
 - In compliance with the budget, the accounting, the law,...

- Analysis and evaluation of the quality, economy, efficiency and effectiveness of the management of the services provided

- Analysis of the internal audits carried out by the Government of the Autonomous Community of Madrid



SOCIAL CARE PROGRAMMES FOR THE ELDERLY

- Analysis of procedures and ITC's used by the Madrid Government
- Analysis of control, supervisory and audit activities carried out by institutions in charge of the programmes, when outsourcing these services
- **Time scope:** year 2014

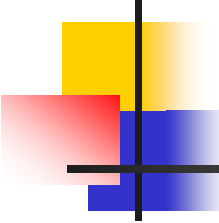
Old people's homes

Number of contracts and agreements in 2014			Num. of places				
			In Homes		Day Centres for the elderly	Custodian ship homes	Family break
Management form	There isn't Framework Agreement	Subject to Framework Agreement	No Framework Agreement	Subject to Framework Agreement	No Framework Agreement	No Framework Agreement	No Framework Agreement
Direct management by Madrid Social Care Agency	25		6.244		554		
Outsourcing	36		2.668		715	598	110
Agreements with private entities							
. <i>Total public funding</i>	121	175	2,869	3,305	843		
. <i>Partial public funding</i>	123	106	4,504	3,793	70		
Fast Plan Concession							
. <i>Total public funding</i>	23		1,364		640		
. <i>Partial public funding</i>	21		736				
Agreement with Local Entities	35		754		465	36	
Total num. of places			19,139	7,098	3,287	634	110

Custodianship homes, outsourcing and Local Entities

Name of Centre	Company	Locality	PLACES 31/12/2014
P.T. Baltasar Santos		Madrid (Vallecas)	45
P.T. Buitrago de Lozoya	Eulen Servicios Sociosanitarios, S.A	Buitrago del Lozoya	50
P.T. María Orué	Clece, S.A.	Madrid (Villaverde)	28
P.T. Leganés	Eulen Servicios Sociosanitarios, S.A	Leganés	135
P.T. Torrejón de Ardoz	Clece, S.A.	Torrejón de Ardoz	240
P.T. Usera	Quae Vitae	Madrid	100
Total places in Custodianship homes through Outsourcing			598
P.T Leganes	Agreement with Local Entities	Ayuntamiento Móstoles	36
Total places in Custodianship homes			634

Social Centres and Centres for the Elderly 31/12/2014



	Number of Centres	Staff (num. of employees)	Number of users
Centres for the Elderly	32		
Social Centres	3		
Total	35	170	361,474

Financial obligations in programmes for the elderly and evolution

Programme	Financial obligations (in €)			Relative variations (in %)	
	2014	2013	2012	2014-2013	2013-2012
904	275,428,832	285,616,601	338,714,310	-3.57	-15.68
931	154,927,257	155,088,517	158,857,958	-0.10	-2.37
934	12,698,909	12,549,954	14,862,717	1.19	-15.56
Total	443,054,998	453,255,072	512,434,984	-2.25	-11.55

Programmes' incomes and evolution

Programmes that generate incomes	Net incomes (in €)			relative variations (in %)	
	2014	2013	2012	2014-2013	2013-2012
904	60,937,013	59,205,349	57,107,038	2.92	3.67
931	31,581,763	31,433,879	30,224,459	0.47	4.00
Total	92,518,776	90,639,228	87,331,497	2.07	3.79



SOCIAL CARE PROGRAMMES FOR THE ELDERLY. Audit results

- Office for the Elderly in compliance with legal procedures for placement allocation at Homes and day Centres

BUDGET GOALS 2014

- Promoting social integration for the elderly and preventing their exclusion
 - Keeping the same number of places at Homes and Day Centres → Places at Homes partially financed decreased in 159. They were replaced by new totally financed places. Net increase: 300 new places at Homes
 - Reaching 100 places at Psychogeriatric Care Homes → 110 places

Goals have merely kept the number of places at Homes.

Long procedures are still needed to get a place at Homes, once the users have been proved eligible



SOCIAL CARE PROGRAMMES FOR THE ELDERLY. Audit results

- Office for the Elderly performs control activities of expenditure on outsourcing services
- In 2014 Framework Agreement 1/2013 (contracting totally financed places) and 9/2013 (partially financed places) have been applied → ending with discrimination
- Resources are adapted to budget, to users preferences and to effective occupancy of each Centre → saving and rationalising on public expenditure



SOCIAL CARE PROGRAMMES FOR THE ELDERLY. Audit results

- In Programme 931, contracts of more than 18,000€ and longer than 1 year have been fractioned in lower amount contracts
- Poor management of previous years' debt collection
 - 43% of total debt expired by 31/12/2014
- Effective management of tax collection for the services provided (Programme 931)



SOCIAL CARE PROGRAMMES FOR THE ELDERLY. Audit results

- Office for the Elderly set control procedures and inspection protocols for the providers
- The Office doesn't have a protocol or procedure to verify the effective occupancy of places, vacancies due to illness and holidays. They don't verify the adequate invoicing of these services



SOCIAL CARE PROGRAMMES FOR THE ELDERLY. Audit results

Occupancy rates

- More significant in Centres where the invoicing is based on the total number of places (whether they are occupied or not)
- Less significant in places agreed with a third party according to Framework Agreement 1/2013 and 9/2013 (Only occupied and booked places are invoiced)

SOCIAL CARE PROGRAMMES FOR THE ELDERLY. Audit results

Occupancy at Public Old People's Homes managed by Third Parties in 2014 (in %)

Centre	31- jan	28- feb	31- mar	30- apr	30- may	30- jun	31- jul	01- sep	30- sep	31- oct	28- nov	30- dec
Peñuelas	99	99	98	95	96	97	94	91	91	92	93	96
Mirasierra	96	96	95	95	95	97	97	96	96	97	95	95
Usera	95	98	95	96	96	96	97	98	99	99	95	97
Isabel la Católica- Ventilla	97	96	98	98	99	98	98	100	98	96	96	96
Vallecas Alzheimer F.Reina Sofía	96	94	96	97	97	97	96	96	96	96	95	94

SOCIAL CARE PROGRAMMES FOR THE ELDERLY. Audit results

Occupancy Monthly rates at Old People's Day Centres

Centre	Occupancy (in %)											
	31-ene	28-feb	31-mar	30-abr	30-may	30-jun	31-jul	01-sep	30-sep	31-oct	28-nov	30-dic
Peñuelas	97	95	95	97	100	100	95	92	102	97	102	102
Mirasierra	82	80	86	82	88	93	95	97	100	106	108	106
Usera	100	97	92	95	97	100	92	92	97	95	95	100
Isabel la Católica	97	95	97	97	95	90	90	95	90	102	105	107
Vallecas (Alzheimer F.Reina Sofía)	90	92	90	92	90	90	97	105	97	92	95	95
Centro de día Desengaño	90	92	87	82	70	77	80	77	77	80	82	85

SOCIAL CARE PROGRAMMES FOR THE ELDERLY. Audit results

Occupancy rates at Municipal Old People's Homes

OLD PEOPLE'S HOMES	AMOUNT INVOICED (in €)	AVERAGE TIME	MIN TIME	MAX TIME	OCCUPANCY AVERAGE RATE
Torremocha	1,390,396	17.08	1	51	99.68%
Montejo de la Sierra	803,696	22.62	4	49	99.63%
Torres de la Alameda	1,991,181	20.66	1	61	99.83%
Valdemoro	1,745,699	20.24	1	44	99.83%
TOTAL INVOICED 2014	5,930,972	20.15	1.75	51.25	99.74%

Occupancy rates at Municipal Day Centres

DAY CENTRES	AMOUNT INVOICED (€)	AVERAGE TIME	MIN TIME	MAX TIME	OCCUPANCY AVERAGE RATE
Alcobendas	288,457,95	66.7	21	154	94.76%
Arganda	92,313,56	26.5	18	35	99.17%
Montejo de la Sierra	23,352,42	-	-	-	45.00%
Valdemoro	184,132,44	105.63	23	231	73.96%
Navalcarnero	250,432,17	97.25	24	175	92.78%
TOTAL INVOICED 2014	838,688,54	59.22	17.2	119	81.13%



Performance Audit of social services and benefits for Dependant people

Subjective scope

- Office for Dependant people (programme 908)
- Direct users: Local Entities, families and non-profit institutions

Objective scope

- Management procedures by the Autonomous Community of Madrid for recognising, ordering and payment of benefits for dependants



Performance Audit of social services and benefits for Dependant people

- Evolutional analysis of budget expenditure of Dependant care programme

- Description of services and eligible population:
 - Number of requests
 - Evaluation of dependency situations
 - Recognising benefits and social services



Performance Audit of social services and benefits for Dependant people

General Goals:

- Evaluating the performance of the budget aims
- Analysis the recognising procedures of the dependency status and its benefits
- Specifying funds and evaluating financial resources for benefits
- Description of control mechanisms for management benefits by the Autonomous Community of Madrid



Performance Audit of social services and benefits for Dependant people

METHODOLOGY

- Analysing procedures and Tic's applied to manage the recognising of the dependency status and the benefit rights

- Evaluating budget programme
 - Expenditure: 771,419,954 €



Performance Audit of social services and benefits for Dependant people

BUDGET PROJECT OF THE AUTONOMOUS COMMUNITY OF MADRID (in €)

Programme	Year	Transfers to Local Entities	Transfers to families and non-profit institutions	Total
908	2011	6,500,000	70,000,000	76,500,000
908	2012	42,391,015	80,000,000	122,391,015
908	2013	91,443,621	82,069,354	173,512,975
908	2014	97,411,500	84,531,435	181,942,935
2311	2015	98,548,006	118,525,023	217,073,029
Total		336,294,142	435,125,812	771,419,954



Performance Audit of social services and benefits for Dependant people

- Analysing budget goals and activities to achieve them, and performance rates
- Verifying compliance with optimal standards of each goal
- Checking if the financial resources are adequate to achieve the goals



Performance Audit of social services and benefits for Dependant people

- Studying budget report:
 - Evaluating performance of programmes
 - Relation between performance and financial and human resources to achieve it
- Verifying implantation of Law for Dependant people in the Autonomous Community of Madrid
 - Number of dependant people requests
 - Number of resolutions, including ratio per beneficiary person
 - Level of dependency status
 - Number of pending requests
 - Describing type of services and benefits granted



Performance Audit of social services and benefits for Dependant people

- Evaluating the recognising procedure of the dependency status and its benefit, verifying compliance with deadlines
 - Description of procedures
 - Average time between request date and resolution date of dependence position, distinguishing by dependence levels
 - Average time between recognising date of benefit and receiving date
 - Average time that it takes issuing resolutions
 - Number of persons with benefits that have died before starting to receive it



Performance Audit of social services and benefits for Dependant people

- Funding sources
 - Public Sector: Central Government and Autonomous Community of Madrid
 - Beneficiaries
 - Financial report explaining budget necessities to cover the obligations of pending resolution requests

- Control mechanisms
 - Evaluating requests
 - Economic benefits
 - Supervision developed



Audit of Public Welfare Institutions

Our own experience

- Tendency to outsource social services due to difficulties in its management and due to frustration about the outcome
- Cuts in funding
 - Leads to exceptional measures, such as selling necessary infrastructures
 - Results in misuse of the facilities
- Difficulties in direct management of social care services
 - Not only there is non compliance with the rules, but they also don't improve their services
 - Leads to outsourcing



Audit of Public Welfare Institutions

Our own experience

- Outsourcing of social care
 - It seems that the responsibility is left to the Third Parties, and only keeps the obligation of the payment...
 - Lowering prices, in a competitive environment
→ lower quality?
 - .. The Public Institution of social care is obliged to control that the benefits are in compliance with the contract or the agreement
- and it is not unlikely to observe errors of the supervising (limited to solve the users complaints)



Audit of Public Welfare Institutions

Our own experience

- Supervising and control are rare, resulting in negligence from the third parties in charge of providing the social services
- Audits must verify how control mechanisms are applied → Are they effective and adequate?



Audit of Public Welfare Institutions

Our own experience

- Deliberate delay by public institutions in applying the procedures for recognising the benefits
 - Due to scarce financial and personnel resources
 - Complex situations
 - Consequences: delaying the benefits → quality of individual rights ... some of them die before enjoying the promised benefits



Audit of Public Welfare Institutions

Our own experience

Due to the own characteristics of social care, it is necessary:

- External Audit with clear and effective rules to avoid obstacles by private third parties in charge of the social services
- Expert staff with knowledge of social care management in order to be able to
 - verify the data and
 - evaluate the third party in compliance with their obligations



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Thank you for you attention

Nantes, 20th October 2016

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