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Auditing welfare spending at local authority level in Mecklenburg-Western Pomerania

With the inclusion of the amounts spent in the form of youth welfare, welfare expenditure accounts for around 34% of the current local authority expenditure in Mecklenburg-Western Pomerania. For rural administrative districts or autonomous towns or cities alike, welfare spending represents some 40% of the operating budget (the current consumption income and expenditure of a local authority). The reason for this high level of welfare expenditure is found in particular in Mecklenburg-Western Pomerania's high level of unemployment and its social structure. In the future this situation will tend rather to deteriorate than improve, due to elements of the population migrating away and ageing.

As a basic principle, welfare spending is dictated by compulsory statutory provisions, with the requirement to satisfy demand applying. However, the current level of expenditure is not set in stone. This is demonstrated by means of a population-related comparison with other federate states. The level of expenditure there is less than in Mecklenburg-Western Pomerania, even though there is no significant difference to Mecklenburg-Western Pomerania in terms of socio-economic structures, as is the case for Saxony-Anhalt and Brandenburg. This tends to suggest monitoring and control shortcomings in the awarding of social and youth welfare benefits. As a result, the focus of the audits performed by the Mecklenburg-Western Pomerania Court of Audit is on managing the way in which social services are granted. Within this context, the distinction must be made between strategic management in matters of planning, service level agreements, performance specifications and social controlling, and the management performed in individual cases, where the situation is one of identifying the need, approving the benefit and granting it with subsequent controls in the case of the actual person in need.

In the first instance, qualified planning of social offers in the field of care or child rearing must identify the need for services. This must represent the basis for the range of services

offered by a local authority. The criterion for such offers is that the services are bought in at the most advantageous price, while still covering the requirements. In the case of services which cannot be bought in under competitive conditions, the associated costs must therefore be calculated exactly.

In other areas of social benefits such as bearing the costs of accommodation and heating, what is crucial is that only appropriate rental costs are borne, i.e. those costs essential for social care.

It is important that the benefits granted are backed up by full IT support to ensure that all of the information which is relevant for managing social services is available at all times. This allows changes in both demand and costs to be recognised at an early stage.

The purpose of controls in the individual case is to check and determine the type and extent of the need for aid, so that the necessary benefits can then be made available in line with requirements.

The aim of this audit approach is to reduce the level of social benefits in Mecklenburg-Western Pomerania at least to the level found in other comparable federate states. Against the background of the federal financial relations within the Federal Republic of Germany – these being based on a population-based equitable adjustment of financial burdens – this becomes a question of survival from the point of view of the autonomy of the federate state.