

Abstract

Administration contracts with Social Security Institutions: a management tool for Government

The Court's audit has shown that Government has not entirely fulfilled its role as co-contracting party in negotiating and following up the administration contracts signed in 2002 and 2003 with Social Security Institutions.

As the administration contracts fall due for renewal, the Court wants to highlight how important administration contracts are as a management tool. It also recalls that Government should absolutely play its full role if it is not to lose all the benefit such a tool offers in the field of good governance.

The fifteen administration contracts in force in the Social Security Institutions are due to expire at the end of this year. They encompass objectives to be met by each of these institutions' entrusted missions. These objectives are set by the Social Security Institutions in consultation with Government and should enable it to assess the economy, effectiveness and efficiency of their operation.

The aim of the contract management process (negotiation, signing and follow-up of such contracts) is to allow these institutions to operate more efficiently and, in the end, provide a better service to the citizen. It is thus essential for Government to have guarantees about the quality of these institutions' commitments and to follow-up their achievement objectively and pointedly.

Although the first wave of contracts was planned for a learning process, the audit has shown that in spite of a basic regulation dating as early as 1997 Government has not made available the resources to ensure that it could negotiate and follow the achievement of all contractual commitments in a uniform and relevant way. Government representatives could not count on the organised support services, guidelines and standards needed to fulfill their tasks and the regulation did not clearly specify the role of Government in this process. Under these circumstances, Government could not ascertain the quality of the objectives or of the indicators set by the Social Security Institutions or else follow up the first contracts in an effective way. This not only endangered the learning process, but also accounted for the differing attitude Government adopted from one contract to the other. Finally, the budgetary resources were not stated according to the contract management philosophy, that is were not based on results to achieve. The Court has noted and supports the efforts made recently by government departments in this field but it is of the opinion that at the completion of the audit they still were not able to fully master the contract management process audited.

If Government does not want to slow down the process or even nullify the fundamental basis of the contract management philosophy and primarily intends to benefit from it notably in the field of good management, it has to see to it that it has the means available to fulfil its role as co-contractor.

As the Court realises the significance of these contracts for all players in the social policy and also for all social insured, it has not only suggested recommendations in its report but has also put forward some best practices which could help Government make a better use of contracts and play its role better in the negotiation of the forthcoming contracts, which are due to start at the end of this semester.

Three out of the four government departments involved have let it know that they agreed to the findings in the report and will make sure that the recommendations are followed. Although the Court requested the six supervising ministers to respond, none has done so within the time prescribed by law.