

## Risk Analysis Tool of the Greek Labour Inspectorate, Greece

<b>Title of the policy or measure (in English)</b>	Risk Analysis Tool of the Greek Labour Inspectorate
• Country	Greece
• Sectors	All
• What groups are targeted by the measure	- Workers involved in undeclared work (indirect)
• Purpose of measure	Deterrence: improve detection
• Short sentence summarising the measure	The Greek Labour Inspectorate's Risk Analysis Tool is used to identify companies for inspection based on a system of "red flags" which distinguishes between companies at higher and lower risk of engaging in UDW.
<b>Background</b>	
• Background context driving the implementation of the measure	The Risk Analysis Tool was designed to respond to the need to make inspections more targeted based on objective criteria that all inspectors can follow. It is a component of the Labour Inspectorate's Integrated Information System. The companies inspected as a result of the Risk Analysis Tool comprise a significant proportion of the overall work carried out by the Labour Inspectorate; for example, the target in Q4 2018 is to undertake 10 % of inspections based on information produced by the Risk Analysis Tool.
• When was the measure implemented? (including start date and end date/ongoing)	Early 2018 – ongoing
• Names(s) of authorities/bodies/organisations involved	Greek Labour Inspectorate (SEPE), Ministry of Labour, Social Security and Social Solidarity
• Scope of the measure (a pilot project, nationwide, regional wide)	The practice was implemented at national level.
• Type of (policy) measure	Tool
• Key objectives of the measure	<p><b>General objectives:</b></p> <ul style="list-style-type: none"> <li>- To enable the scheduling of inspections based on a series of indicators and red flags.</li> </ul> <p><b>Specific objectives:</b></p> <ul style="list-style-type: none"> <li>- To improve the targeting of inspections based on specific risk analysis rules and indicators.</li> <li>- To design information and awareness raising campaigns based on the strategic priorities of the Labour Inspectorate.</li> <li>- To carry out evaluation of the Risk Analysis system using the results of inspections which are analysed through the Business Intelligence Analysis Tool.</li> </ul>
<b>Specific measure</b>	

<ul style="list-style-type: none"> <li>Description of how the measure operates in practice</li> </ul>	<p>The Risk Analysis Tool relies largely on data from the information system ERGANI, where, among others, all employees and their working hours are declared. The system uses this data set and, based on specific risk analysis rules, ranks the companies from high to low risk. Other data are also combined, such as the results of previous labour inspections undertaken in the company and possible fines levied, and thus the company's profile is formed.</p> <p>As foreseen in the design of the system, the data from the Information System ERGANI will also eventually be linked to, and cross-checked with, social security data and other similar databases, through interoperability connections. Thus, more inconsistencies are likely to be found and addressed. In the near future, there are also plans to link the system to the tax authorities' databases.</p>
<ul style="list-style-type: none"> <li>What resources and other relevant organisational aspects are involved?</li> </ul>	<ul style="list-style-type: none"> <li>- The level of financial resources that were devoted to develop the tool is difficult to assess since the Risk Analysis Tool is part of the Integrated Information System of the Greek Labour Inspectorate and is also linked to external systems of other organisations.</li> <li>- The human resources involved in managing the system include a central management team of the Greek Labour Inspectorate's Integrated Information System. This team is composed of five persons, including three labour inspectors and two occupational health and safety (OSH) inspectors. This is because the system is used by both the labour relations' inspectors and the health and safety inspectors. In terms of skills, the individuals involved have a combination of IT and inspection expertise.</li> <li>- The development of the system was outsourced.</li> </ul>
<ul style="list-style-type: none"> <li>What are the source(s) of funding?</li> </ul>	<p>EU Funds (National Strategic Reference Framework NSRF - ESPA in Greek).</p>
<p><b>Evaluation and outcome</b></p>	
<ul style="list-style-type: none"> <li>Has the measure achieved its objectives?</li> </ul>	<p>So far the system appears to be achieving its objectives of enabling the scheduling of inspections based on a series of indicators and red flags but will need refinement after the first implementation cycle is completed. This system is part of an integrated system, linked to another system which records the results of inspections carried out based on the risk analysis. This will then make it easier to evaluate the Risk Analysis System. The system of recording the results of inspections triggered by the Risk Analysis Tool is a big advantage of the system. The system has been developed in a way that allows the feedback it receives to refine the system's design.</p>
<ul style="list-style-type: none"> <li>Assessment method (including indicators used to measure its impact), and the outputs and outcomes achieved</li> </ul>	<p>Evaluation of the risk analysis system is due to take place in the future, once a full cycle of implementation is completed. The cycle of using and updating the <b>Risk Analysis Tool</b> is composed of eight steps described below:</p> <p><b>Risk Analysis Tool:</b></p> <ol style="list-style-type: none"> <li>1) Assessing risk indicators / design and implementation – updating the rules</li> <li>2) Testing the risk assessment rules</li> <li>3) Risk scenarios execution / collection of outputs</li> <li>4) Ranking of companies / Profiles update</li> </ol> <p>This is then complemented by data and feedback from inspections:</p> <ol style="list-style-type: none"> <li>5) Creation and implementation of inspection cases, and</li> <li>6) Input of inspection results</li> </ol> <p>The third part of the cycle is the <b>Business Intelligence Analysis Tool</b>, whereby:</p> <ol style="list-style-type: none"> <li>7) Statistical analysis / Evaluation of inspection results is carried out, followed by</li> <li>8) Evaluation of risk assessment rules which feeds back into step 1 of the risk analysis system above (updating of rules).</li> </ol>

The Business Intelligence Analysis Tool takes data from the results of the inspections carried out. For example, if the Greek Labour Inspectorate carries out a risk analysis where 10 companies are flagged for inspection, the results of these inspections are input into the Business Intelligence Analysis Tool. If five of these companies were found to have engaged in UDW, this information helps to refine the tool, and allows it to achieve higher rates of inspections of companies engaging in UDW activities.

The systems are in place but a full cycle has not been completed yet because it only recently became compulsory for inspectors to feed back the results of inspections into the system facilitating the continuous updating of the risk analysis and the business analysis systems.

For the last quarter of 2018, the target is to do 10 % of inspections based on the Risk Analysis Tool. In the planning for 2019, the percentage will likely increase to 15 %. Once Labour Inspectorate colleagues see the benefits, it is anticipated that they will become more willing to use the Risk Analysis outputs to decide which businesses to inspect.

- What are lessons learnt and the key conditions for success?

Before the adoption of the tool, some companies were being inspected too often while others were not being inspected at all. Also, the monthly and daily scheduling of inspections took place based on local area information (complaints, area peculiarity, local social partner organisations), while inspectors had no information about the company's profile and behaviour.

However, after the adoption of the tool, it has been possible: to rank businesses from risky to less risky using indicators and red flags; to inspect businesses with specific fraudulent behaviours; to target seasonal fraudulent businesses (or of a specific activity sector); to establish, at central level, a detailed annual inspection programme, based on risk analysis outputs and a desirable degree of coverage of employers (target population).

Some challenges of the Risk Analysis Tool included the following:

- Availability of quality data and access to the most relevant and accurate data, both internally and externally;
- Effective collaboration with other administrations and establishment of interoperability connections between the Information Systems;
- Availability of technology;
- Evaluation of the overall performance of the system;
- Availability of human and financial resources;
- Specialised and dedicated staff in risk assessment and data analysis systems;
- Financial resources for hardware and software updates and maintenance;
- Impact of the legislative framework on the protection of personal data (GDPR);
- Persuading inspectors to target companies for inspection based on the outputs of the Risk Analysis Tool and also help update the risk assessment rules.

Lessons learned:

- All institutions, relevant to tackle businesses' fraudulent behaviours should cooperate, share data and experiences, and settle interoperability connections among their Information Systems;
- Experienced and specialised staff should be dedicated to analyse the outputs of the tool and compare them with the actual inspections' results;
- Good practices of other Member States should be considered and risk assessment experts should exchange experience and knowledge;

	- Inspectors should undergo continuous training and be encouraged to use the Risk Analysis Tool and to provide ideas on new indicators based on their experience.
<ul style="list-style-type: none"> <li>Level of transferability (e.g. other countries/groups/sectors)</li> </ul>	Greece is one of the countries which recently introduced a risk assessment system on a wide scale, using readily available and tested software products, such as ESCORT (run on Oracle) for the purpose. The ESCORT system was developed a decade ago by the Swedish tax inspectorate and has been transferred to Greece. The system is adaptable to any country, and many countries continue to use it while more countries have expressed interest in transferring the system to their own context. Greece also uses the ERGANI registration system, which Greece has provided to Cyprus free of charge.
<b>Additional information</b>	
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<ul style="list-style-type: none"> <li>Useful sources and resources</li> </ul>	<b>Weblinks</b> <a href="https://www.sepenet.gr">https://www.sepenet.gr</a>
<ul style="list-style-type: none"> <li>Metadata and key words for online search</li> </ul>	Greece; Risk Analysis Tool; risk assessment; Red flags; Business Analysis Tool; SEPE; Integration Information System; ERGANI; interoperability connections; protection of personal data; GDPR; risk assessment rules; implementation cycle; strategic priorities