



Key Performance Indicators (KPIs) used to measure the performance of the Anti-Fraud Office

Spain

	<p>Summary</p> <p>Since 2014, the Spanish Government introduced key performance indicators (KPIs) to monitor and guide the efforts of the labour inspectorate in tackling undeclared work and undeclared social security contributions, among other issues. The initiative has seen some striking success in the legitimisation of undeclared work.</p>
<p>Title of the practice in original language</p>	<p><i>Indicadores de actividad y de eficacia de la Oficina Antifraude</i></p>
<p>Name(s) of authorities/bodies/ organisations involved</p>	<ul style="list-style-type: none"> ▶ The labour inspectorate (<i>The Labour and Social Security Inspectorate State Agency, Organismo Estatal Inspección de Trabajo y Seguridad Social, OEITSS</i>).
<p>Sectors</p>	<p>All</p>
<p>Target groups</p>	<ul style="list-style-type: none"> ▶ Labour inspectors (directly targeted); ▶ Workers involved in undeclared work and unpaid social security contributions (indirectly targeted).
<p>Purpose of measure</p>	<p>Deterrence: improve detection</p>


	<p>Aims and objectives</p> <p>The National Anti-Fraud Office's KPIs aim to monitor and guide the efforts of the labour inspectorate in tackling irregular work in Spain.</p>
<p>Background context</p>	<ul style="list-style-type: none"> ▶ The National Anti-Fraud Office is a unit within the labour inspectorate, established specifically to target undeclared work, irregular employment (such as full-time jobs under part-time contracts) and unpaid social security contributions. The National Anti-Fraud Office also aims to coordinate efforts with other national and regional bodies for the same purpose;



	<ul style="list-style-type: none"> ▶ Despite widespread adoption of deterrent and preventative policy measures to tackle undeclared work, the Spanish government saw the need to improve the effectiveness measurement of these policies. In 2014, it introduced a wide range of KPIs to provide targets for teams to aim for, milestones to gauge progress and making connections to help the labour inspectorate make better decisions.
<p>Key objectives of the measure</p>	<p>General objective:</p> <ul style="list-style-type: none"> ▶ To implement KPIs as quantifiable measures of performance over time for specific strategic objectives in the fight against undeclared work. The labour inspectorate uses KPIs, to monitor the effectiveness of the inspectorate’s efforts and to make better-informed decisions, among other purposes. <p>Specific objectives:</p> <ul style="list-style-type: none"> ▶ To monitor the activities of labour inspectors, their courses of action and the results obtained; ▶ To put in place tracking tools to capture and organise important issues, assign work and follow team activity; ▶ To use data and analytics to improve decision-making and incentivise labour inspectors that achieve good results; ▶ To provide information to the labour inspectorate and to social partners, in order to evaluate the Inspectorate’s performance; ▶ To draw up the annual action plan for the labour inspectorate.
<p>Main activities</p>	<ul style="list-style-type: none"> ▶ KPIs were implemented in 2014 through an information system called <i>Integra</i>, which is an integrated set of components for collecting, storing and processing data. <i>Integra</i> gathers complete and up-to-date information from multiple sources across the labour inspectorate to track KPIs accurately; ▶ In addition, KPI dashboards allow the labour inspectorate to easily explore the data behind the KPIs and reveal connections that can guide action. It transforms massive data sets from across the organisation into data-driven decisions that can improve the fight against undeclared work; ▶ Typical KPIs include the total number of inspections, the number of inspections focused strictly on undeclared work, the number of repeated inspections at companies where undeclared work was detected and the effectiveness of inspections (i.e., hit rate). As regards social security, KPIs



	<p>relate, among other issues, to the amount of unpaid contributions, fines and penalties imposed as a consequence of liability and fraudulently obtained benefits that have been recovered;</p> <ul style="list-style-type: none"> ▶ KPIs are regularly reviewed as undeclared work is a dynamic phenomenon; ▶ Since the introduction of KPIs the emphasis has been less on the eradication of undeclared work and more on the legitimisation of labour relations; ▶ For this purpose, a specific KPI was introduced: the number of legitimised labour relations. This KPI relates, among other issues, to registrations by the authorities as the result of an infraction, registrations by companies as a direct result of Inspectorate action and to infractions related to undeclared work by foreigners without a work permit.
<p>Funding/organisational resources</p>	<p>The National Anti-Fraud Office operates with resources from the labour inspectorate. Thus, its source of funding is the budget of the central government through the Spanish Ministry of Labour and Social Economy.</p>

	<p>Outcomes</p> <p>The KPIs use collected and analysed data to inform the labour inspectorate about the progress of action and initiatives, resulting in better decision-making and more effective operations, such as campaigns to legitimise irregular work.</p>
<p>Achievement of objectives</p>	<ul style="list-style-type: none"> ▶ KPIs measuring the performance of the Anti-Fraud Office allows the labour inspectorate to close the gaps between data, inference and action by the labour inspectorate. Thus, the implementation of KPIs is helping every area of the organisation to move forward at the strategic level; ▶ As the Spanish evaluation system includes leading indicators to help predict trends and tendencies based on data, KPIs are used by the labour inspectorate to plan the material and territorial distribution of the labour inspectorate activities and campaigns in every annual action programme; ▶ In addition, regular evaluation is carried out by the labour inspectorate to see how inspectors are using the current KPIs, allowing adjustments for improvement. For instance, after



	<p>reinforcing the strategic objective of transforming undeclared work into declared work, the Inspectorate increased the legitimisation rate by 117.3% in just one year (2011 compared to 2012).ⁱ Since then, the labour inspectorate has strengthened this strategic objective;</p> <p>► At present, the Spanish Strategic Plan 2021–2023 defines the KPIs that apply to establishing whether and how far its strategic objectives are being achieved.ⁱⁱ</p>
Lessons learnt and success factors	<p>Sharing a KPI dashboard across the labour administration agencies can help improve data literacy in the organisation, creating a culture of detection and innovation. Trustworthy and organised data enable the labour administration to make smarter and better-informed decisions.</p>
Transferability	<p>The most effective KPIs are specific, measurable, attainable, realistic and time-limited. Everyone in the administration should be aware of the KPIs so they can act on them. Understanding how to perform with respect to a clear goal enables making decisions that focus execution in the right direction.</p>

Further information

Contact	<p>The National Anti-Fraud Office (Spanish Labour and Social Security Inspectorate)</p> <p>Email: itsssgit@mites.gob.es</p>
Useful sources and resources	<p>The Strategic Plan of the Labour and Social Security Inspectorate 2021-2023</p> <p>https://www.boe.es/diario_boe/txt.php?id=BOE-A-2021-20005</p>

ⁱ Cuadro resumen de la actividad desarrollada en 2011 y 2012. https://www.mites.gob.es/itss/web/que_hacemos/estadisticas/docs/2012/Resumen3_2012.pdf

ⁱⁱ Plan Estratégico de la Inspección de Trabajo y Seguridad Social 2021-2023. https://www.boe.es/diario_boe/txt.php?id=BOE-A-2021-20005, accessed 01/08/2022.