

IAF

Inspektionen för  
arbetslöshetsförsäkringen

*Swedish Unemployment Insurance Board*

# Annual Report 2012

## Extract

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## Foreword by the Director-General

Since the 2010 financial year, IAF's activities of IAF have been divided into four operational sectors. Prior to its operational planning for 2012, IAF formulated overriding objectives for each operational sector, as well as for competence provision. The aim is for both operational sectors and objectives to remain constant over the years, based on IAF's mandate, as set out in its remit and appropriation directions.

Figure 1: IAF's operational sectors and overriding objectives.



***IAF has the competence and staffing necessary to meet the needs of and changes in the organization.***

### *Significant events in 2012*

In the Operational sector Clarifying the System of Regulations, IAF concluded a wide-ranging development programme in 2012, relating to IAF's authorization to issue regulations on suitable work, in accordance with Article 11, subsection 2 of the Swedish Unemployment Insurance Act (1997:238) and Article 26 of the Swedish Ordinance (1997:835) on unemployment insurance. However, in parallel with IAF's development programme, the Swedish government instructed a ministerial memorandum to be drawn up on the subject "Legal certainty and equal treatment in unemployment insurance" (Ds 2012:3). In the light of this memorandum, the government decided to proceed with presenting a bill to Sweden's Parliament, Riksdagen, on Measures in Unemployment Insurance, (Bill 2012/13:12), including a number of proposals with implications for IAF's development programme. Nevertheless, IAF's development programme led to a

new regulation on suitable work, "IAF regulations on suitable work" (IAFFS 2012:1), and a document with a historical overview of the concept of suitable work, "Suitable work – a historical overview of the concept of suitable work in the unemployment insurance system". See also section 2.1.1.

IAF's work in the Operational sectors Clarifying the System of Regulations, Supervision and Following-Up may be published in the form of reports. These may be commissioned by the government or initiated by IAF. In 2012, IAF published 20 reports, compared with 34 in 2011. However, the nature and scope of the reports differed considerably. Of the reports published in 2011, 22 were fairly brief summaries of rules-based audits of cases at 22 different unemployment insurance funds. Only one such audit was completed in 2012. Other than these, five more broadly-based rules-based audits were completed in 2012, compared with two in 2011.

In the Operational sector Following-Up, IAF produced 14 reports in 2012, compared with 10 in 2011. In both years, eight of the reports were commissioned by the government.

To spread the organization's work load more evenly, a number of IAF-initiated projects continued beyond year-end 2012 and will be summarized in reports in 2013.

The list of reports shows which projects were completed and time-reported by IAF during 2012. In addition to these projects, IAF also was engaged extensively on "base projects", mainly within the framework of the Operational sectors Administration and Clarifying the System of Regulations in 2012, which were not time-reported.

#### *International activities*

The government's appropriation directions for 2012 clarified IAF's mandate in terms of its role of representing and supporting the Ministry of Employment's EU work. The clarification was in response to a request made by IAF to the government to that effect. In 2012, IAF developed its competence and structure for this role.

The project, conducted by Försäkringskassan (the Swedish National Insurance Agency) and IAF, funded by the EU and entitled "Strengthening the administrative capacity of competent authorities and implementation agencies for co-ordination of social security schemes" in Croatia, took place throughout 2012. A representative of IAF was stationed in that country all year. A delegation of officials from Croatia visited IAF in Sweden as part of the project in order to gather information on social insurance ahead of Croatia's admission into the EU on 1 July 2013. The project, concluded in January 2013, helped to develop EU expertise among IAF's management as well as among other personnel involved in EU issues.

#### *IAF's budget for administration*

IAF's total spend in 2012 was SEK 55.8 million. The grant allocated for 2012 was SEK 56.1 million. In earlier years, the reason for larger deviations from the grant allocated was high personnel turnover. In 2012, however, personnel turnover fell and IAF recruited new personnel to carry out its planned projects. For 2012, IAF planned to spend major amounts of the sum carried over from 2011 (SEK 1.7 million) on various projects, including EESSI (Electronic Exchange of Social Security Information in Europe). Some of these projects have been deferred for various reasons, and the European Commission has decided to put the more extensive work of developing EESSI temporarily on hold. This means a somewhat lower level of activity for IAF, and affected the Board's overall spend from its administration budget.

#### *Impacts of IAF's work*

Via its work, IAF is able to provide the government with objective and important information on the development of unemployment insurance. In 2012, the government used the results of IAF's work in its parliamentary bill 2012/13:12 (as referred to in *Significant events in 2012*, above), as well as in its supplementary directives to the Parliamentary Commission on Social Insurance.

The unemployment insurance funds are obliged to comply with the legislation governing the unemployment insurance system. They are not, however, obliged to comply with observations made by IAF in the course of the Board's audits. Nevertheless, IAF can confirm that the unemployment insurance funds comply with both IAF's observations and its decisions on sanctions. IAF's observations on how the Employment Service applies its control function in the unemployment insurance system feed through into both constructive discussions between IAF and the Employment Service, and actions on the part of the government.

IAF has for several years been engaged in a wide-ranging programme focusing on competence provision for the Board. This bore fruit in 2012 in the form of lower personnel turnover, which in turn created the conditions for a further improvement in quality within IAF's core mandate.

Katrineholm, 18 February 2013

Anne-Marie Qvarfort  
Director-General

## Major events during the year

### **January**

IAF presents appointments of government representatives in unemployment insurance funds.

IAF reports on the government grant process in the unemployment insurance system to the government auditor.

Meeting with the Swedish Federation of Unemployment Insurance Funds (SO).

### **February**

Presentation on direction of labour market policy in 2012 as affecting IAF, by Secretary of State Bettina Kashefi.

Meeting with Insynsrådet (Advisory Council).

IAF delivers its 2011 Annual Report to the government.

### **March**

Presentation of ministerial memorandum "Legal certainty and equal treatment in unemployment insurance" (Ds 2012:3) to IAF, by Marie Nordmarc of the Ministry of Employment.

Presentation of findings from the reports "Social Security Fraud and Tax Fraud – Double Criminality in the Welfare System" and "Fraud in the Unemployment Insurance System" to IAF, by Johanna Skinnari and Lars Korsell of the Swedish National Council for Crime Prevention (Brottsförebyggande rådet – BRÅ).

Presentation of the Employment Service's Labour Market Forecast to IAF, by Clas Olsson, Head of Research at the Employment Service.

IAF submits its draft budget for the 2013-2015 period to the government.

Meeting with Irene Wennemo, executive secretary of the Parliamentary Commission on Social Insurance.

Meeting with the Supervisory Board of Public Accountants regarding principles for annual reports by unemployment insurance funds.

### **April**

IAFFS 2012:1 regulation is published.

Meeting with the Swedish Accounting Standards Board regarding principles for annual reports by unemployment insurance funds.

### **May**

Conference for government representatives.

Dialogue on objectives and outcomes with Ministry of Employment.

Meeting with Insynsrådet (Advisory Council).

### **June**

Development of Statistikdatabasen (Statistical Database) for greater user-friendliness.

IAF's response to Article 6 of EU Regulation 883/2004 on Unemployment Benefits is handed in to the government.

### **August**

Meeting with Insynsrådet (Advisory Council).

Visit from participants in the joint Försäkringskassan and IAF EU project in Croatia.

Jessica Idbrant is appointed as the new head of IAF's Research Unit.

### **September**

Presentation of Employment Service's indicators for its control function, with information on Employment Service's work on development, to IAF, by Lars Carlsson and Magnus Eriksson of the Unemployment Insurance department, Service Development unit.

Presentation to IAF of SO's activities, role and mandate, by Melker Ödebrink of SO.

The IAF Conference, a planning conference for IAF members, featured a presentation of the work of the Parliamentary Commission on Social Insurance by Irene Wennemo.

### **October**

IAF approves merger between Handelsanställdas arbetslöshetskassa (the Commercial Employees' Unemployment Insurance Fund) and Musikernas arbetslöshetskassa (the Musicians' Insurance Unemployment Insurance fund).

Conference for representatives of the unemployment insurance funds and SO.

Presentation by International Social Security Association (ISSA) and the work of ISSA's Technical Commission to IAF, by Agneta Roström of the Employment Service.

Visit by IAF's Executive Management to the joint Försäkringskassan and IAF EU project in Croatia.

Meeting of representatives of the Employment Service's, SO's and IAF's managements.

Visit by employees of the Ministry of Employment.

Presentation of IAF's operations by Director-General to Katrineholm Rotary Club.

### **November**

Conference for government representatives.

IAFFS 2012:2 regulation is published.

### **December**

Meeting with Insynsrådet (Advisory Council).

# 1 IAF's mandate

IAF (Inspektionen för arbetslöshetsförsäkringen), the Swedish Unemployment Insurance Board, is a government agency that is accountable to the Swedish government. IAF's mandate is laid down in the Swedish Ordinance (2007:906) defining the remit of the Swedish Unemployment Insurance Board. In addition to its remit, IAF receives every year assignments and tasks in the government's appropriation directions to the Board.

These two documents govern the central functions of the organization. On the basis of the IAF's remit, the Swedish Unemployment Insurance Act (1997:238) and the Swedish Unemployment Insurance Funds Act (1997:239), the Board has divided its tasks into four operational sectors:

- Clarifying the System of Regulations

IAF has a role to play in clarifying the regulations on unemployment insurance by representing the Swedish government in court, issuing regulations and advising the government that laws or ordinances need to be amended.

- Supervision

IAF exercises supervision over the unemployment insurance funds and the Employment Service's administration of matters relating to the unemployment insurance system, by verifying whether the funds are abiding by legally binding rules. If IAF decides that an unemployment insurance fund has breached legally binding rules, the Board can raise objections to the unemployment insurance fund's activities, or order the fund to remedy the matter within a certain period of time. IAF can also decide to withdraw a government grant if an unemployment insurance fund does not comply with such an order, or can demand repayment of a government grant incorrectly paid out to an unemployment insurance fund. If IAF discovers that the Employment Service has breached legally binding rules, IAF shall call this to the attention of the Employment Service and the government.

- Following-Up

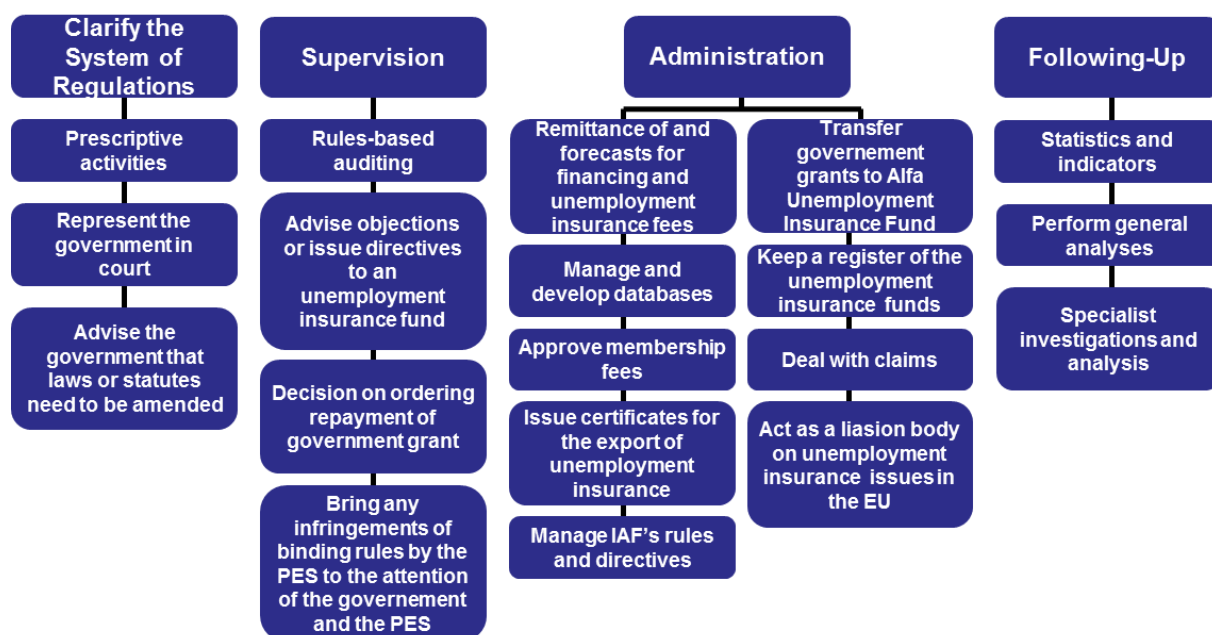
The government has instructed IAF to monitor developments in the field of unemployment insurance. IAF fulfils this role by analyzing the routines of the unemployment insurance funds and the Employment Service and by compiling and analyzing statistics in the area. IAF can also be commissioned by the government to investigate various specific issues in connection with the unemployment insurance system.

- Administration

IAF has a number of administrative functions that are associated with the unemployment insurance system. Activities in this sector comprise not only those defined by the Board's remit and appropriation directions, but also certain tasks described in the Swedish Unemployment Insurance Act (1997:238) and the Swedish Unemployment Insurance Funds Act (1997:239). Administration includes IAF's function of transferring unemployment fees and financing fees from the unemployment insurance funds to central government. Another task is to issue certificates that enable unemployed people to seek work in other EU and EEA countries while still receiving unemployment benefits.



Figure 2: IAF's four operational sectors and operational areas within them.



## 1.1 Reporting of results according to mandate

The annual report is divided into the four operational sectors, Clarifying the System of Regulations, Supervision, Administration and Following-Up. This arrangement is the outcome of the clarification that IAF made of its mandate in 2010. See Figure 2.

IAF reports the results of each operational sector according to its mandate and what the Board considers to be of material importance for the government to follow up IAF's operations. In addition, it also accounts for its costs in the different operational sectors and its performance within each.

IAF has calculated the costs of services completed during the year on the basis of an average hourly fee and time incurred. The time incurred is based on the IAF's time accounting, once the managers responsible have carried out reasonability assessments and follow-ups on an individual level to quality-assure the time reported.<sup>1</sup>

The 2010 annual report was based on estimated time accounting for each service completed during the year, but since 2011 IAF has been using an electronic time accounting system. However, in 2011 and 2012, certain problems with the functionality of the system arose. IAF's work on quality assuring both procedures and systems for quality assurance in time accounting continues – a new, more user-friendly time accounting system was placed in service on 1 January 2013.

<sup>1</sup> Calculation of the average hourly fee in 2012 is based on the costs of the activity, divided by the actual time worked at IAF, plus hours worked by consultants. The actual time spent is based on the total number of hours worked per year by all employees (based on information supplied by Kammarkollegiet, Sweden's Legal, Financial and Administrative Services Agency) multiplied by 0.75 to discount holidays and other absence.  $(118,208 * 0.75) = 88,656$ . The average hourly fee is then:  $56,705,023 / (88,656 + 1,257 \text{ consulting hours}) = \text{SEK } 629.04$ . Amounts are in SEK thousands (SEK th.) Summarizing differences may occur as a result of rounding off to the nearest SEK th.

IAF's mandate varies from year to year as regards the focus and scope of its operational sectors. As a result, any year-on-year comparison of time incurred in the operational sectors must take such variations into account.

According to the Swedish National Financial Management Authority's regulations in Section 3, Article 1 of the Swedish Ordinance on annual accounts and budget documentation (2000:605), the reporting of results must include time series so that information on results from the past year can be compared with corresponding data from the two preceding years. The classification of IAF's operations that is used in this annual report was established in 2010. Time series are therefore constructed using 2010 as the base year.

The reporting of the results of the operating sectors is followed by classification of total revenue and expense for the organization. This classification is based on the classification of operations adopted by the Board in accordance with the Swedish Ordinance on annual accounts and budget documentation (2000:605).

The section on competence provision includes an account of the measures taken by IAF during the year, along with an assessment of the part played by these measures in enabling IAF to fulfil its mandate as stated in the appropriation directions for 2012.

## 2 Reporting of results

### 2.1 Operational sector Clarifying the System of Regulations

IAF's work plays a part in clarifying the regulations on unemployment insurance by acting for the Swedish government in court, issuing regulations and advising the government that laws or ordinances need to be amended.

In this section, IAF describes the activities completed in 2012 in the operating sector Clarifying the System of Regulations. These activities took 7,326 hours to complete, at a total cost of SEK 4,609 th.<sup>2</sup>

In IAF's view, the work performed contributed to clarifying the legal situation and adapting the system of regulation to new conditions. This makes it easier for not only the unemployment insurance funds but also the employment offices to apply the system of regulations

Table 1: Operational sector Clarifying the System of Regulations No. of hours and cost (SEK th.), 2010-2012 period

	2012	SEK th.	2011	SEK th.	2010	SEK th.
	Hours	Cost	Hours	Cost	Hours	Cost
Clarifying the System of Regulations	7,326	4,609	1,285	817	2,652	1,670

#### 2.1.1 Prescriptive activities

To clarify the system of regulations, IAF is in certain areas authorized to issue legally binding regulations that describe in more detail how the unemployment insurance funds and the Employment Service should interpret laws and ordinances on the unemployment insurance system and unemployment insurance funds. The activities performed within the scope of this function reported by IAF in 2012 consisted of the regulations issued by the Board during the year.

In 2011-2012, IAF also carried out a wide-ranging review of the regulation on suitable work. This project resulted in a new regulation on suitable work, which took effect on 1 July 2012. The project was conducted in association with the unemployment insurance funds and the Employment Service. For example, the Employment Service and the unemployment insurance funds were given the opportunity to comment on the content of the regulation, in terms both of how the previous regulation had worked and of what was desirable in a new regulation on suitable work. The comments were made during seminars held in Stockholm. IAF also researched whether various ethical and religious factors can affect the suitability of particular work. The Board also shared in international experiences in the area, for example through study visits. Within the project, IAF carried out a detailed historical study of the concept of *suitable work* in Swedish unemployment insurance. Work on documenting and describing the legal developments in the area was carried out by Stig Jansson, former Administrative Court of Appeal Judge. This was reported in a monograph entitled "Suitable Work – A Historical Review of the Concept of Suitable Work in Unemployment Insurance", published by IAF during the year.

<sup>2</sup> IAF's classification of operations was first used on 2010, and so it is not possible to show comparisons for any earlier than 2010. Summarizing differences occur as a result of rounding off to the nearest SEK th.

IAF issued two regulations in 2012. These activities took a total of 6,468 hours to complete and cost SEK 4,069 th.

Table 2: Operational sector Clarifying the System of Regulations No. of activities, no. of hours and cost (SEK th.) for prescriptive activities, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
<b>Prescriptive activities</b>	<b>2</b>	<b>6,468</b>	<b>4,069</b>	<b>4</b>	<b>599</b>	<b>381</b>	<b>8</b>	<b>640</b>	<b>403</b>

### 2.1.2 Representing the government in court

IAF represents the government in court in unemployment insurance cases. It does so in order to elicit indicative court decisions. The activities performed within this function that are reported by IAF in 2012 consisted of the cases heard in general administrative courts during the year, where the Board represented the government.

In IAF's view, these activities have helped to clarify the legal situation in a number of important legal issues in unemployment insurance.

In 2012, IAF represented the government in 12 cases. The activities took 487 hours to complete and cost SEK 306 th.

Furthermore, in IAF's capacity of expert authority in unemployment insurance, the Board provided responses to consultation requests from courts. In reply to consultation requests received, IAF delivered 13 statements to courts during 2011. The activities took 371 hours to complete and cost SEK 233 th.

Table 3: Operational sector Clarifying the System of Regulations No. of activities, no. of hours and cost (SEK th.) of representing the government in court, 2010-2012 period<sup>3</sup>

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
<b>Representing the government in court</b>	<b>25</b>	<b>858</b>	<b>540</b>	<b>29</b>	<b>616</b>	<b>392</b>	<b>50</b>	<b>2,012</b>	<b>1,267</b>
<i>Acting for the government in court</i>	<b>12</b>	<b>487</b>	<b>306</b>	13	214	136	25	1,312	826
<i>Responding to consultation requests from courts</i>	<b>13</b>	<b>371</b>	<b>233</b>	16	402	256	25	700	441

### 2.1.3 Advising the government that laws or statutes need to be amended

In order to help clarify the system of regulations, IAF is also empowered to advise the government that laws or ordinances need to be amended. IAF can do this via individual representations to the government or via reports.

<sup>3</sup> The figure for reported activities completed in 2011 differs in the annual reports for 2012 and 2011. This is because of an error detected by IAF in the calculation of the number of activities completed; the error has been corrected in the 2012 annual report. The figures are taken from IAF's register.

In report 2012:9 “Implementation of sector-specific rules and operational areas by the unemployment insurance funds”, IAF recommended that the government consider introducing a legal requirement that time otherwise remunerated because employment has ceased shall also count towards the fulfilment of the “work condition”. In the regulation as currently framed, this only applies to severance payments and financial damages corresponding to salary. The time spent on this activity is reported in the operational sector Following-Up.

## 2.2 Operational sector Supervision

IAF exercises supervision over the unemployment insurance funds and the Employment Service's handling of matters relating to unemployment insurance.

In the following section, IAF describes the activities completed in 2012 in the operating sector Supervision. These activities took 8,769 hours to complete, at a total cost of SEK 5,516 th.

IAF considers that in this function the Board delivered well-reasoned observations concerning circumstances that have posed a risk in the management of unemployment insurance by the unemployment insurance funds and the Employment Service. By objectively and systematically highlighting such circumstances, IAF is creating the conditions for improving legal certainty and efficiency in management of the unemployment insurance system.

IAF's supervision is conducted mainly in a forward-looking way. In its supervision, IAF points out shortcomings and makes observations that indicate a need to take action to ensure legal certainty and efficiency in the application of unemployment insurance. The audits performed by IAF produce valuable information on the application of rules that, over time, creates better legal certainty and efficiency in application of the unemployment insurance system.

During the year, the government proceeded with IAF's recommendations, in the form of the Parliamentary Bill on Measures in Unemployment Insurance etc. (Bill 2012/13:12). Furthermore, the government directed the Commission on Sustainable Insurance for Illness and Unemployment (S 2010:04 dir. 2012:90) to take IAF's recommendations into consideration in the general work of the Commission.

Table 4: Operational sector Supervision: No. of hours and cost (SEK th.), 2010-2012 period

	2012	SEK th.	2011	SEK th.	2010	SEK th.
	Hours	Cost	Hours	Cost	Hours	Cost
Supervision	8,769	5,516	1,043	663	4,843	3,049

### 2.2.1 Rules-based auditing

Through rules-based auditing, IAF verifies whether the unemployment insurance funds and the Employment Service are abiding by legally binding rules when administering matters relating to unemployment insurance. Rules-based auditing assignments are initiated by IAF in accordance with the risk analysis model that the Board has developed and approved.

IAF's rules-based audits are performed (i) as assignments agreed during operational planning and (ii) as ongoing audits agreed on an ongoing basis during the year. In the audit assignments in which IAF audits particular cases, the supervised entity receives feedback on the findings from the audit immediately after IAF has completed its audit. The result of the feedback is that in many cases the supervised entities themselves remedy the shortcomings that IAF has pointed out. In such cases, the impact of the audit assignment may be seen immediately.

In cases where IAF has made observations indicating the need for actions on the part of the supervised entity, the Board may ask to receive feedback. The feedback is to describe what actions the supervised entity has taken or intends to take. Where the supervised entity reports that actions will be taken, the Board may subsequently follow up whether the supervised entity has taken the actions. The Board also performs follow-up audits to determine what effect that the supervisory measures implemented have had over time.

As regards the supervisory measures concerning the unemployment insurance funds, IAF may if necessary apply sanctions. IAF will do so to enforce its supervisory measures when no remedy is carried out or when the unemployment insurance funds do not carry out actions voluntarily.

In 2012, IAF completed six rules-based audits. The following section is an account of the activities that IAF decided to focus on.

Table 5: Operational sector Supervision: No. of activities, no. of hours and cost (SEK th.) for rules-based auditing, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
Rules-based auditing	6	8,617	5,421	23	1,024	651	22	4,683	2,948

***Arbetsförmedlingens handläggning och dokumentation när anvisat arbete inte sökts (2012:10) (Employment Service's procedure and documentation when no application has been made regarding a job referral)***

In 2011, IAF audited documentation in 1,015 cases where no application was made for a job referred to a jobseeker by the Employment Service, together with the Employment Service's administrative procedures in such cases.

The findings from the audit indicated that in 30 percent of the cases audited, there was a complete lack of documentation related to the case in the day notes entered in the Employment Service's IT system (AIS). Moreover, in other cases audited, where there was some related documentation in the day notes, there was often no information supporting the reasons given for not notifying the unemployment insurance fund.

One prerequisite for being able to ensure legal certainty and efficiency in administration is that satisfactory case documentation should be maintained. In cases lacking adequate documentation, it is not possible to determine subsequently whether there was any objective justification for the differences in the decisions made by the Employment Service in different individual cases. It is also not possible to check whether administration had been fair and efficient, either via the Employment Service's internal controls or IAF's supervision.

These activities took 2,296 hours to complete and cost SEK 1,444 th.

***Återkallande av anvisning till arbetsmarknadspolitiskt program (2012:16) (Cancellation of labour market policy programme)***

Under its government remit, IAF is required to audit the processing of, and administrative routines for, cases at the Employment Service regarding cancellation of referrals to labour market policy programmes. Within the framework of the mandate:

- IAF followed up the measures taken by the Employment Service in response to the shortcomings pointed out in IAF Report 2011:33 regarding administration and procedures in connection with a request to review cancellation of referral dealt with by the local employment service offices.
- IAF compiled and analyzed data from the first half-years of 2010–2012 regarding the number of referrals and cancelled referrals for labour market policy programmes.
- IAF compiled information on the number of requests for review of cancelled referral that were received by local employment services offices, and audited the administration of 15 registered review cases in which local employment service offices rescinded its decision to cancel an referral.

IAF's main findings in the report were as follows:

- In the first half of 2012, the Employment Service had, in a total of 20 percent (957 cases) of the cancellations in job guarantees for young jobseekers, recorded a reason outside the scope of the regulations for that programme. Within this mandate, IAF was not able to investigate in detail whether these entries were made in error or the regulations had been applied wrongly.
- The internal documents of the Employment Service were unclear about the possibilities or duties of the local employment service offices also to alter clearly incorrect decisions *after* three weeks had elapsed after the individual had been informed of the cancellation decision.
- In the Employment Service's appeals information and internal documents on review, it was not clear that the individual can request the department for review to reconsider a cancellation decision immediately, in accordance with the provisions of the regulations, instead of the local employment service office undertaking a preliminary investigation.

The audit took 1,771 hours to complete and cost SEK 1,114 th.

### ***Tillämpningen av arbetslöshetsförsäkringen inom kulturarbetsmarknaden (Application of the unemployment insurance system in the culture and media market) (2012:17)***

Within its mandate, IAF audited cases involving unemployed people receiving unemployment benefit from the Employment Service for Culture and Media and the unemployment insurance funds. IAF carried out a web-based survey, directed at the unemployment insurance funds, and produced statistics to illuminate the situation for the category of claimants at Employment Service Culture Media.

IAF's audit in the culture and media field indicated the following:

- Employment Service Culture Media had carried out a number of measures since IAF's previous audit in 2008.
- Employment Service Culture Media made fewer referrals for suitable work, made fewer notifications of disputed right to benefit to the unemployment insurance funds and made fewer deregistrations than in the Employment Service as a whole.
- IAF established that claimants at Employment Service Culture Media were more dependent on unemployment insurance than other claimants.
- The findings from IAF's audit show that the unemployment insurance system does not operate fully effectively as readjustment insurance for claimants at Employment Service Culture Media. This was particularly clear in the case of jobseekers registered as hourly paid and receiving benefit.
- There was a major lack of documentation on follow-up and verification by the unemployment insurance funds regarding hours worked and benefit received by claimants. The lack of documentation in several cases renders IAF supervision of administration by the unemployment insurance funds more difficult.

The audit took 2,209 hours to complete and cost SEK 1,389 th.

#### ***2.2.2 Advise objections or issue directives to an unemployment insurance fund***

Under Article 91 of the Swedish Unemployment Insurance Funds Act (1997:239), IAF is authorized to advise objections to any activity of an unemployment insurance fund, as the Board sees fit.



During its supervision in 2012, IAF issued seven objections regarding the activities of unemployment insurance funds. This activity took 68 hours to complete, at a total cost of SEK 43 th.

Table 6: Operational sector Supervision: No. of activities, no. of hours and cost (SEK th.) for advising objections, ordering or deciding on withdrawal of government grant to an unemployment insurance fund, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
Advising objections, ordering or deciding on withdrawal of government grant to an unemployment insurance fund	7	68	43	15	19	12	12	20	13

### 2.2.3 Decision on ordering repayment of government grant

Under Article 94, subsection 2 of the Swedish Unemployment Insurance Funds Act (1997:239), IAF is authorized to take decisions on ordering repayment of government grants. This may take place if an unemployment insurance fund has received a government grant without entitlement, or one has been paid an excessive amount. The activities within the scope of this function reported by IAF in 2012 consisted of the decisions taken by the Board during the year to order repayment.

In 2012, IAF took three decisions to order repayment of government grants, at a total cost of SEK 52 th.

Table 7: Operational sector Supervision: No. of activities, no. of hours and cost (SEK th.) for decisions on ordering repayment of government grant, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
Decisions on ordering repayment of government grant	3	83	52	0	0	0	14	140	88

## 2.3 Operational sector Following-Up

The government has instructed IAF to follow up developments in the field of unemployment insurance. IAF fulfils this role by analyzing the routines of the unemployment insurance funds and the Employment Service and by compiling and analyzing statistics in the area. IAF can also be given specific assignments by the government to investigate various issues in connection with the unemployment insurance system..

The following section summarizes IAF's activities in 2012 in Operational sector Following-Up. These activities took 12,389 hours to complete, at a total cost of SEK 7,793 th.

IAF finds that in 2012 the Board performed its task of following up developments in unemployment insurance efficiently and at a high level of quality. IAF also concludes that the Board's reporting contributed substantially to an effective description of the area of unemployment insurance. The reports that IAF delivered in accordance with its mandate, as defined in the Board's appropriation directions, were presented according to the timetable adopted and, in IAF's view, meet the mandating authority's requirements.

Table 8: Operational sector Following-Up: No. of hours and cost (SEK th.), 2010-2012 period

	2012	SEK th.	2011	SEK th.	2010	SEK th.
	Hours	Cost	Hours	Cost	Hours	Cost
<b>Following-Up</b>	<b>12,389</b>	<b>7,793</b>	<b>11,868</b>	<b>7,541</b>	<b>9,721</b>	<b>6,120</b>

### 2.3.4 Statistics and indicators

As part of IAF's work in monitoring developments in unemployment insurance, the Board regularly publishes statistics and indicators for in-house and external consumption. IAF's activities in 2012 took 185 hours to complete and cost a total of SEK 117 th.

Table 9: Operational sector Following-Up: No. of activities, no. of hours and cost (SEK th.) for statistics and indicators, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
<b>Statistics and indicators</b>	<b>185</b>	<b>117</b>		<b>390</b>	<b>248</b>		<b>48</b>	<b>30</b>	
<i>Membership development</i>	12	111	70	11	103	66	12	48	30
<i>Indicators</i>	1	74	47		287	182			

#### *Membership development*

IAF published statistical summaries on 12 occasions showing developments in the number of members of the unemployment insurance funds. These 12 statistical summaries represent IAF's activities within the scope of this work. The activities took 111 hours to complete and cost SEK 70 th.

#### *Indicators*

In 2012, IAF expanded its Statistikdatabasen (Statistical Database) on the IAF website by adding data on individuals working part-time and receiving benefit in accordance with Article 7 of the Swedish Ordinance (1997:835) on unemployment insurance. This activity took 74 hours to complete and cost SEK 47 th.

### 2.3.5 Specialist investigations and analysis

In order to monitor developments in unemployment insurance, IAF regularly conducts a range of specialist investigations and analysis. In these assignments, IAF does not check whether the supervised entity is complying with the legally binding rules. Instead, IAF determines via these investigations whether there may be any risks in how the unemployment insurance funds or the Employment Service implements the unemployment insurance system. In cases where IAF has made observations indicating the need for actions on the part of the supervised entity, the Board may ask to receive feedback from the supervised entity. The purpose of this feedback is to describe what actions the supervised entity has taken or intends to take. Where the supervised entity reports that actions will be taken, the Board may subsequently follow up whether the supervised entity has taken the actions required. The Board also performs follow-up analysis to determine what effect that the analysis has had over time.

Specialist investigations and analysis are initiated either by the government or IAF in accordance with a risk analysis model developed and approved by the Board. At completion of the final report by IAF on an investigation or analysis, supervised entities are also offered the option of a feedback meeting to hear an oral presentation of IAF's observations.

Analysis carried out provides valuable information on the unemployment insurance system. For example, IAF reports were used as the basis of Supplementary Directives for the Commission on Sustainable Insurance for Illness and Unemployment (S 2010:04 dir. 2012:90) and Parliamentary Bill on Measures in Unemployment Insurance etc. (Bill 2012/13:12).

The reports completed during 2012 in this area represent IAF's activities in the sector. In all, 14 specialist investigations and analyses were completed in 2012. These activities took 11,712 hours to complete and cost a total of SEK 7,367 th.

A list of all reports for 2012 in the area are presented in section 5 of this Annual Report and are also available via the IAF website.

Table 10: Operational sector Following-Up: No. of activities, no. of hours and cost (SEK th.) for specialist investigations and analysis, 2010-2012 period<sup>4</sup>

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
Specialist investigations/analysis	14	11,712	7,367	9	11,478	7,293	14	9,569	6,024

### **Arbetsförmedlingens underrättelser om ifrågasatt ersättningsrätt och avmälan (2012:2 & 2012:12) (Employment Service's notifications of disputed right to benefit; and deregistration)**

IAF's appropriation directions for 2012 instructed the Board to report on two occasions the number of the Employment Service's notifications of disputed right to unemployment benefit, as well as notifications that resulted in some form of sanction. IAF was also instructed to report the number of individuals that the Employee Service had deregistered from the unemployment insurance funds.

In its first report (2012:2), it emerged that the number of notifications per 1,000 claimants rose from 10.4 in 2010 to 14.0 in 2011, an increase of 35 percent from 2010. It was also reported that there were major differences in the number of notifications made by employment service personnel in the different market areas in 2011. The number per 1,000

<sup>4</sup> The total includes two memoranda of facts about the unemployment insurance system.

varied between 7.8 and 18.7. The level of sanctions over the first half-year fell slightly between 2010 and 2011. This trend is linked to the notifications issued on the basis that the claimant did not meet the basic conditions of the unemployment insurance. 14 percent of the claimants were deregistered manually in the first half of 2011. The percentage of claimants deregistered falls away with increasing age.

The second report (2012:12) indicated, among other points, that the number of notifications per 1,000 claimants in the first half year declined slightly between 2011 and 2012. The report also showed that the number of notifications regarding individuals who participated in external job coaching in the first half of 2012 was lower than the figure for claimants overall. This result further corroborates the conclusions that IAF arrived at in an earlier audit, i.e. that a risk exists that the controlfunction is not assured in the Employment Service's association with parties with a complementary role.

The level of sanctions declined substantially between 2009 and 2010 (from 86 to 81 percent). The level continued to fall after that, and the level of sanctions for notifications made in 2011 was 80 percent. IAF's report also contained an analysis of the correlations between certain background factors and decisions to take sanctions. The analysis indicated, for example, that decisions to take sanctions were more common for claimants with pre-upper secondary school education than for those with post-upper secondary school/research education.

Another conclusion in IAF's 2012:12 report was that processing times, defined as the period from when the Employment Service makes a notification until the date on which the unemployment insurance fund advises IAF that it has taken a decision, varied widely from one unemployment insurance fund to another. The median time for taking decisions was 22 days for all decisions, but varied by at most between 15 and 42 days. The considerable spread in processing times from one unemployment insurance fund to another may result in claimants not being treated equally, despite the nature of notifications being of a similar kind. Finally, IAF concluded that obtaining information about deregistrations was still difficult.

The analysis took 1,007 hours to complete and cost SEK 633 th.

### ***Arbetslöshetskassornas arbete med systematiska kontroller av ärendekvaliteten (2012:3) (The work of the unemployment insurance funds on systematic verification of the quality of case management)***

In its appropriation directions for 2012, IAF was instructed to analyze the work of the unemployment insurance funds on systematic verification of the quality of case management in cases requiring the exercise of authority. Within its mandate, IAF carried out a web-based questionnaire, to which all unemployment insurance funds responded.

The analysis of follow-up checks by the unemployment insurance funds indicated that 25 out of 30 unemployment insurance funds carried out follow-up checks on quality in benefit claim cases. The majority of the unemployment insurance funds that performed follow-up checks, were of the view that the checks had impacted on the quality of management in benefit cases. Of the unemployment insurance funds, 17 out of 30 performed follow-up checks on members' cases and 10 out of these 17 stated that in their view the checks had had an impact on the quality of members' cases.

The documents sent by the unemployment insurance funds to IAF also largely confirmed that follow-up checks were part of the business planning carried out by the unemployment insurance funds.

The analysis took 860 hours to complete and cost SEK 541 th.

### ***Uppföljning av Arbetsförmedlingens kontrollfunktion i samarbetet med kompletterande aktörer (2012:4) (Follow-up on Employment Service's control function in its collaboration with parties with a complementary role)***

IAF followed up how the Employment Service assures its control function in the collaboration with parties with a complementary role. The main thrust of the mandate was to focus on the

Employment Service's follow-up routines and on deviation reports that serve as the Employment Service's device for assuring its control function in the collaboration with parties with a complementary role.

In IAF's follow-up, the following points emerged:

- Action taken by the Employment Service in connection with deviation reports from parties with a complementary role was low.
- The Employment Service was not able to show evidence of any systematic follow-up routines to assure its control function<sup>5</sup> operates in association with parties with a complementary role.
- The Employment Service's system for deviation reporting made it difficult for it to assure its control function in association with parties with a complementary role. It also made it more difficult for IAF to obtain an overview of and to exercise supervision over the Employment Service's work on a deviation reporting.

IAF concluded that the Employment Service had not sorted out its follow-up routines to assure its control function, which IAF pointed out in its 2010 audit.

Finally, the IAF concluded that there was still a risk that the control function will not be assured in the Employment Service's collaboration with parties with a complementary role.

Follow-up activities took 1,062 hours to complete and cost SEK 668 th.

***Arbetslöshetskassornas rutiner för polisanmälan enligt bidragsbrottslagen (2012:8)  
(Unemployment insurance funds' routines for reporting fraud to police in accordance with the Swedish Benefit Crime Act)***

In 2011 and 2012, IAF analyzed the unemployment insurance funds' routines for reporting fraud under the Swedish Benefit Crime Act. The aim was for example to establish how the unemployment insurance funds ensure that they adhere to the legislation.

IAF's analysis indicated that every year the unemployment insurance funds reported around 1,000 cases to the police in accordance with the Swedish Benefit Crime Act. A decision to report a person to the police was taken via the same process as used for a decision to expel a member, or reject an individual's claim for benefit. Cases where an individual was reported to the police were dealt with centrally within the organization.

The analysis indicated that cross-referencing of data from Försäkringskassan and CSN played an important role in enabling the unemployment insurance funds to identify incorrect payments and also, by extension, suspected benefit crime.

IAF concluded that crucial legal judgements made prior to a police report of a benefit crime differed among the unemployment insurance funds and that the Benefit Crime Act was difficult for them to apply. Finally, IAF concluded that it was necessary to continue following up how the unemployment insurance funds are applying the Benefit Crime Act.

The analysis took 1,048 hours to complete and cost SEK 659 th.

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<sup>5</sup> Verification of guidelines and tools.

***Arbetslöshetskassornas hantering av branschspecifika regler och verksamhetsområden (2012:9) (Unemployment insurance funds' observance of sector-specific rules and operational areas)***

IAF's appropriation directions for 2012 instructed the Board to analyze the extent to which the unemployment insurance funds apply sector-specific rules. IAF was also to investigate whether the way these rules were applied conformed to current regulations, and to propose any amendments to establish a fit-for-purpose system of regulation. The mandate also included analysis of how the unemployment insurance funds' areas of operation are defined and whether they overlap.

To obtain answers to the questions concerning the sector-specific system of regulation, IAF conducted a questionnaire-based survey for this analysis. The analysis indicated, for example, that:

- Two thirds of the unemployment insurance funds applied the sector-specific system of regulation governed by law, order or regulation. The professional categories most commonly dealt with by the unemployment insurance funds in applying a sector-specific system of regulation consisted of individuals active in the cultural field and other professional categories working for fees, together with teachers and study group supervisors.
- Just over a third of the unemployment insurance funds applied fund-specific interpretations of the system of regulation for certain professional categories. Professional categories commonly dealt with in this context were bloggers, journalists, commission-based employees, interpreters, fee-remunerated pastors, seamen and staffing agency employees.
- Just under half of the unemployment insurance funds stated that they dealt with professional categories with regular seasonal unemployment.

The unemployment insurance funds found it difficult to make precise estimates of the number of cases in the above-mentioned categories, but from the funds' estimates it was nevertheless possible to determine that the number of cases were unevenly distributed across the different unemployment insurance funds.

As regards the application of the system of regulation by the unemployment insurance funds, IAF concluded that the funds applied sector-specific rules to a limited extent in calculating the time for the work condition. In addition, circumstances differed among the various professional categories covered by the unemployment insurance funds, in terms of the recalculation of job performance on the employer's certificate or of the time stated in the contract and in the crediting of preparation time.

Against the background of what emerged in the analysis of of sector-specific rules, IAF recommended the government to consider introducing a legal requirement that time otherwise remunerated because employment has ceased shall also count towards fulfilment of the work condition. IAF will also examine whether the regulation on approval of sector-wide implementation agreements actually achieve the necessary coordination of implementation of the law.

IAF's analysis of the operational areas of the unemployment insurance funds indicated that certain unemployment insurance funds can organize major areas of the labour market, while others can only organize employees in a limited sector. In IAF's view, partly because of developments in the Swedish labour market, and partly because of the many mergers of the unemployment insurance funds that have taken place in recent years, the situation has arisen where the current boundaries between the operational areas of the unemployment insurance funds have started to become blurred.

The analysis took 1,749 hours to complete, at a cost of SEK 1,100 th.

***Arbetsförmedlingens indikatorer för att följa upp kontrollen av arbetssökande som söker arbetslöshetsersättning (2012:11)***  
***(Employment Service's indicators for following up checks on jobseekers claiming unemployment benefit)***

In IAF's 2012 appropriation directions, the Board was instructed to follow up the Employment Service's mandate to follow up checks on the jobseekers who are claiming benefit under unemployment insurance.

In its follow-up, IAF concluded that the Employment Service had not developed indicators extending to every aspect of the Board's mandate in the unemployment insurance system. For example, IAF found that in some cases there were no indicators to illustrate

- the job-seekers' activity and frequency of contact by the jobseekers
- how the Employment Service uses and follows up the action plans of the jobseekers
- whether the Employment Service has provided information on the terms and conditions of unemployment insurance to jobseekers in receipt of benefit
- how the Employment Service has discharged the responsibility for its control function when jobseekers participate in activities at parties with a complementary role.

The analysis took 95 hours to complete, at a cost of SEK 60 th.

***Hur säkerställs att personer med arbetslöshetsersättning inte samtidigt får ersättning från socialförsäkringen? (2012:14) (What measures are in place to ensure that claimants in receipt of unemployment benefit are not at the same time in receipt of social insurance benefits?)***

In its appropriations directions, IAF had been instructed to follow up the routines ensuring that unemployment benefit claimants cannot at the same time be in receipt of sickness benefit, parental benefit, temporary parental benefit, pregnancy benefit, cash benefit for care of closely related persons, disease carrier benefit or rehabilitation benefit.

IAF confined its work under the mandate solely to following up the routines of the unemployment insurance funds. Thus, the report did not examine Försäkringskassan's routines to prevent individuals from improperly obtaining unemployment benefit during the same period of time as a social insurance benefit. The mandate included analyzing which routines are in place and how they are applied by the unemployment insurance funds. To obtain answers to these questions, IAF conducted a questionnaire-based survey and a case audit.

During its follow-up, IAF established that the unemployment insurance funds were not experiencing any general problems as regards their control procedure, according to the responses in the survey. However, several unemployment insurance funds expressed the desire for the control procedure to include more specific information as to the days on which a particular social insurance benefit had been paid out. This was corroborated by IAF's case audit. IAF's follow-up showed that it was rare for individuals in receipt of unemployment benefit for all five benefit payment days also to be in receipt of one of the social security benefits concerned. IAF estimated that less than one percent of the unemployment benefits paid out were unemployment benefits incorrectly paid out in the same period as any of the other social security benefits concerned. This is based on the IAF's case audit and the Försäkringskassan's cross-referencing of cases with unemployment insurance benefit.

The follow-up took 663 hours to complete and cost SEK 417 th.

***Arbetslöshetskassornas beräkning av arbetslöshetsersättningen enligt EU-förordningen (2012:15) (Unemployment insurance funds' calculation of unemployment benefit in accordance with EU Regulation)***

Based on a mandate in the 2012 appropriation directions, IAF analyzed how the unemployment insurance funds applied Article 62 of EU Regulation 883/2004. The article governs the way in which the unemployment insurance benefit should be calculated when a jobseeker has worked in a different EU country.

In analyzing approximately 400 cases, IAF examined every stage in the benefit calculation made in accordance with the Swedish system of regulation in order to determine how the unemployment insurance funds had implemented Article 62 in each part of the calculation. On completion of its analysis, IAF is able to confirm that the unemployment insurance funds implemented certain parts of the system of regulation identically, but that there were differences in the way they applied other parts of the system. IAF also established that the largest differences in implementation arose in the stages of the benefit calculation that were not regulated.

However, the analysis showed that this had major consequences in terms of the benefit claimant's daily earnings, on which the daily allowance is based, when the unemployment insurance funds did not implement Article 62 identically. The differences in implementation emerged above all when IAF compared one individual benefit claim with another, rather than when different unemployment insurances funds were compared with each other.

The analysis took 1,939 hours to complete and cost SEK 1,220 th.



## 2.4 Operational sector Administration:

Within the scope of its mandate, IAF performs a number of administrative tasks. These follow from the Board's remit, appropriation directions, the Swedish Unemployment Insurance Act (1997:238) and the Swedish Unemployment Insurance Funds Act (1997:239).

The following section summarizes activities in Operational sector Administration in 2012. The activities took 6,364 hours to complete, at a total cost of SEK 4,003 th.

IAF finds that in 2012 the Board performed its tasks in Operational sector Administration efficiently and at a high level of quality.

Table 11: Operational sector Administration: No. of hours and cost (SEK th.), 2010-2012 period

	2012	SEK th.	2011	SEK th.	2010	SEK th.
	Hours	Cost	Hours	Cost	Hours	Cost
Administration	6,364	4,003	7,246	4,604	16,716	10,524

### 2.4.1 Remittance of and forecasts for financing and unemployment insurance fees

IAF has certain tasks regarding the processing of the unemployment insurance and financing fees.

#### *Remittance of financing and unemployment insurance fees*

Under Article 11 of Ordinance (1997:836) concerning Unemployment Insurance Funds, IAF is charged with providing information on the size of the fees to be paid by each unemployment insurance fund to the government. For that reason, IAF collects statistical data from each unemployment insurance fund and the Employment Service. On the basis of the data collected, IAF calculates the size of fees to the individual unemployment insurance funds. One operation within this category consists of collecting monthly statistical information for every unemployment insurance fund, calculating the fee, informing the fund of the fee calculated and verifying whether the fund concerned has paid in the fee set.

In 2012, this category of activities comprised 361 such assignments, which took 348 hours to complete and cost SEK 219 th.

Table 12: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for remittance of financing and unemployment insurance fees, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
Remittance of financing and unemployment insurance fees	361	348	219	375	438	278	384	384	242

#### *Forecasts for financing and unemployment insurance fees*

On four occasions during 2012, IAF presented forecasts for unemployment and financing fees to the Swedish National Financial Management Authority. IAF's activities in this respect consisted of these forecasts.

The forecasts were based on historical data and statistical information from the Employment Service, which are weighed together using a mathematical model.

These four forecasts took 36 hours to complete and cost SEK 23 th.

Table 13: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for forecasts for financing and unemployment fees, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
Forecasts for financing and unemployment insurance fees	4	36	23	4	68	43	5	40	25

## 2.4.2 Managing and developing databases

IAF manages two individual databases: A-stat and Underrättelsedatabasen (Intelligence Database). In addition, IAF manages Statistikdatabasen (Statistics Database) on the IAF website. The information held in these databases plays a part in enabling IAF to fulfil its mandate of following developments in unemployment insurance.

Table 14: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for managing and developing databases, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
Managing and developing databases		543	342		706	448		940	592
Requesting of data from IAF databases	23	243	153	39	470	298	52	340	214
Updating of Statistikdatabasen		300	189		236	150		600	378

### Requesting of data from IAF databases

One administrative task within the scope of managing IAF's databases is to provide data on request and produce statistical information.

In 2012, IAF provided data to, and produced statistical information for, external stakeholders including the Ministry of Employment, the Swedish Federation of Unemployment Insurance Funds, the Swedish Social Insurance Inspectorate, Statistics Sweden, journalists and private individuals.

IAF provided data or produced statistical information for external stakeholders on 23 occasions. IAF's activities in this area took 243 hours to complete and cost a total of SEK 153 th.

### Updating of Statistikdatabasen

The statistical database on the IAF website was updated in 2012 to improve its layout. This activity took 300 hours to complete and cost SEK 189 th.

### 2.4.3 Issue of certificates for export of unemployment insurance cover

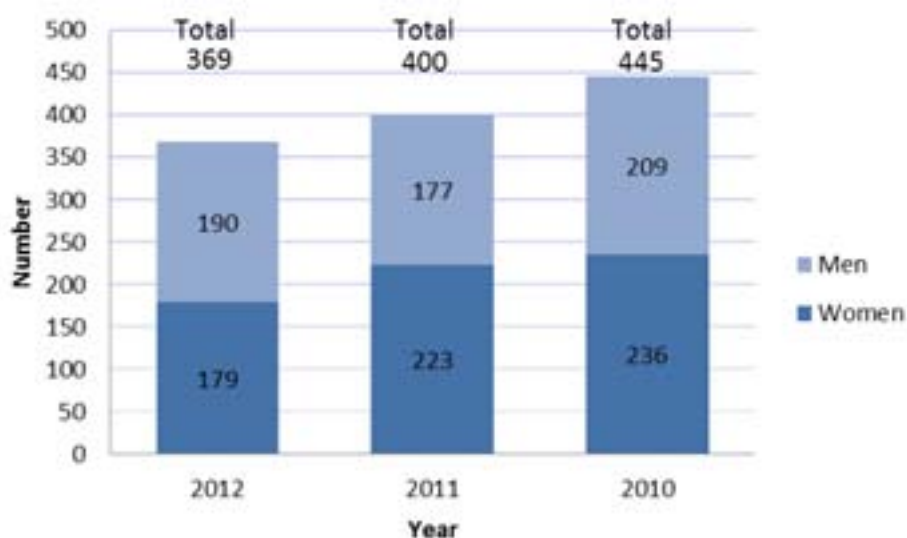
In accordance with Article 48 of the Swedish Unemployment Insurance Act (1997:238), IAF issues unemployment insurance certificates to individuals who satisfy the conditions for seeking work in other EU or EEA countries and Switzerland, with retained right to unemployment benefits from Sweden. This facility complies with the European Parliament's and the Council's Regulations (EC) 883/2004 and 987/2009 and the Council's Regulations (EEC) 1408/71 and 574/72, which coordinate the social security systems in Europe.

According to EU Regulation 883/2004 and its Implementing Regulation 987/2009, IAF issues certificate U2 to EU citizens satisfying the conditions for seeking work in another EU country, with retained right to receive unemployment insurance benefit from Sweden. The regulations introduce, for example, simplified routines for information sharing between Member States and for direct payment of unemployment benefit from Swedish unemployment insurance funds to individuals seeking work in another Member State.

In the first half of 2012, EEA countries Norway, Iceland, Liechtenstein and also Switzerland came under the scope of Regulations 883/2004 and 987/2009. As a result, it is now certificate U2, not certificate E 303, that is issued to individuals seeking export of unemployment benefit to one of these countries. Certain exemptions are still allowed for citizens of "third countries".

In 2012, IAF received in all 369 applications for a U2 certificate or E 303 certificate for seeking work in other EU/EEA countries or Switzerland with retained right to Swedish unemployment benefit. Of these applications, 349 were for U2 certificates and 20 for E 303 certificates.

Diagram 1: Number of applications for E 303 certificates and U2 certificates for seeking work in other countries with retained Swedish unemployment benefit – by gender



IAF issued a total of 264 certificates during the year, including 251 U2 certificates and 13 E 303 certificates. This represented a fall of 11 percent compared with 2011. Most certificates were issued for seeking work in the UK (18 percent), Spain (16 percent) and Norway (14 percent).

Table 15: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for issue of certificates for export of unemployment insurance cover, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
<b>Issue of certificates for export of unemployment insurance cover</b>	<b>264</b>	<b>803</b>	<b>505</b>	<b>298</b>	<b>1,479</b>	<b>940</b>	<b>306</b>	<b>0</b>	<b>3,407</b>
U2	251			256			178		
E 303	13			42			128		

#### 2.4.4 Reimbursement of unemployment benefits

On 1 May 2010, EU Regulation 883/2004 and Implementation Regulation 987/2009 entered into force.

Section IV of Implementation Regulation 987/2009 includes financial provisions. These include a special rule (Article 70) for the unemployment sector, regarding reimbursement of employment benefits for the unemployed in accordance with Article 65 of the Basic Regulation.

The effect of the provisions, in brief, is that the competent institution in the former country of employment is obliged to reimburse the competent institution in the country of residence for the entire amount paid out to the unemployed person for the first three, or five, months.

The claims are to be submitted and paid via the liaison and contact organization in the Member States concerned.<sup>6</sup> The Swedish Unemployment Insurance Board (IAF) is the liaison and contact organization in Sweden for matters relating to the provision of Article 70.

Transfer of information (request and response) between the competent institutions in the Member States will until further notice be conducted using an "SED" form (structured electronic document) on paper.

In 2012, IAF processed 1,747 reimbursement cases. This activity took 1,403 hours to complete and cost SEK 883 th.

Table 16: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for reimbursement of unemployment benefits, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
<b>Reimbursement of unemployment benefits</b>	<b>1,747</b>	<b>1,403</b>	<b>883</b>	<b>1,214</b>	<b>1,468</b>	<b>933</b>	<b>379</b>	<b>0</b>	<b>0</b>

#### 2.4.5 Keeping a register of the unemployment insurance funds

Under Article 7 of the Swedish Unemployment Insurance Funds Act (1997:239), IAF is required to keep a register of the unemployment insurance funds. The activities performed within the scope of this function reported by IAF in 2012 consisted of updates made to the register of unemployment insurance funds. In 2012, 10 amendments were made to articles of association and 42 other amendments to the register. This activity took 187 hours to complete and cost SEK 117 th.

<sup>6</sup> The EEA countries and Switzerland have also submitted to the regulation.

Table 17: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for keeping a register of the unemployment insurance funds, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
<b>Keeping a register of the unemployment insurance funds</b>	<b>52</b>	<b>187</b>	<b>117</b>	<b>86</b>	<b>288</b>	<b>183</b>	<b>25</b>	<b>110</b>	<b>69</b>
<i>Amendments to articles of association</i>	<b>10</b>			17			9		
<i>Other amendments</i>	<b>42</b>			69			16		

#### 2.4.6 Approving membership fees

Under Article 43 of the Swedish Unemployment Insurance Funds Act (1997:239), any decision regarding membership fees by an unemployment insurance fund must be submitted to IAF for approval. The activities performed within the scope of this function reported by IAF in 2012 consisted of the approvals issued by the Board during the year. IAF's approvals on such matters are based on an assessment of the reasonability of the fund's request.

In 2012, IAF decided on 19 cases concerning a request for change in membership fee and approved 17. This activity took 179 hours to complete and cost SEK 113 th.

Table 18: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for approving membership fees, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
<b>Approving membership fees</b>	<b>17</b>	<b>179</b>	<b>113</b>	<b>21</b>	<b>244</b>	<b>155</b>	<b>35</b>	<b>355</b>	<b>223</b>

#### 2.4.7 Damage/loss cases

Sweden's Chancellor of Justice (JK) has delegated to IAF the task of dealing with damage/loss claims by individuals against the government, when such individuals consider that their unemployment insurance fund has caused them damage or loss, for example by inaccurate information or incorrect procedure in cases relating to the exercise of authority. Any claims for damage/loss arising from a decision, or from failure to take a decision, are dealt with by JK, although in such cases JK normally requests IAF to state its opinion on the matter.

This category of activity consists of dealing with damage/loss cases. In 2012, IAF settled 46 claims for damage/loss via decisions or opinions communicated to JK. These activities took 1,141 hours to complete, at a total cost of SEK 718 th.

Table 19: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for damage/loss cases, 2010-2012 period

	2012 SEK th.			2011 SEK th.			2010 SEK th.		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
<b>Damage/loss cases</b>	<b>46</b>	<b>1,141</b>	<b>718</b>	<b>47</b>	<b>1,103</b>	<b>701</b>	<b>124</b>	<b>3,075</b>	<b>1,936</b>

## 2.4.8 Liaison and contact

IAF is Sweden's liaison and contact organization regarding unemployment insurance in the European Union, including with regard to tasks described in detail in the Board's appropriation directions. In 2012, IAF representatives participated as experts in discussions with other EU Member States regarding implementation of EU Regulation 883/2004 and Implementation Regulation 987/2009, and regarding the development of a system for electronic sharing of information (EESSI) between the Member States. Within the latter, members of IAF personnel took part in a working seminar within the EESSI project on 5–6 September 2012 and via participation in the Administrative Commission's ad hoc group on the production of structured electronic documents (SEDs). In Sweden, Försäkringskassan is the agency in charge of introducing the electronic information sharing system, EESSI. IAF, the Employment Service and the Swedish Federation of Unemployment Insurance Funds are participating in the project.

In 2012, IAF took an active role in collaboration between the Nordic countries to identify and resolve cross-border obstacles. Members of IAF personnel participated in this work as experts serving in a working party established by the Nordic Council of Ministers. This working party concluded its work in March 2012 by submitting its report "Freedom of Movement within the Social and Labour Market Area in the Nordic Countries – Summary of Obstacles and Potential Solutions" to the Nordic Council of Ministers.

In consultation with officials at authority level in the different Nordic countries, IAF shared in the work of drafting an administrative agreement, with implementing regulations, for the new Nordic social security convention. The convention is expected to enter into force in 2013.

This activity took 1,249 hours to complete and cost SEK 786 th.

Table 20: Operational sector Administration: No. of hours and cost (SEK th.), role of liaison and contact, 2010-2012 period

	2012	SEK th.	2011	SEK th.	2010	SEK th.
	Hours	Cost	Hours	Cost	Hours	Cost
Liaison and contact	1,249	786	653	415	0	0

## 2.4.9 Administration of IAF's code of regulations

IAF posts three codes of regulations on its website detailing the rules that apply to the unemployment insurance system. One of the codes deals with the Swedish Unemployment Insurance Act, the second refers to the Swedish Unemployment Insurance Funds Act and the third describes international regulations. The last-mentioned code of regulations addresses issues relating to EU Regulation No. 883/2004 on the Coordination of Social Security Systems.

The codes are updated four times a year and are intended to serve as a tool in the work of IAF members in their supervisory role. The updates took 475 hours to complete and cost SEK 299 th.

Table 21: Operational sector Administration: No. of activities, no. of hours and cost (SEK th.) for administration of IAF code of regulations, 2010-2012 period

	2012			2011			2010		
	Number	Hours	Cost	Number	Hours	Cost	Number	Hours	Cost
Administration of IAF's code of regulations	4	475	299	-	-	-	-	6,400	4,029

The nature of these activities differ from year to year; in 2010 and 2011 the time of updating the codes of regulations was not recorded. In 2010, a new version of the codes of regulations was produced.

## 2.5 Expense and revenue, by operational sector

According to the Swedish Ordinance on Annual Accounts and Budget Documentation (2000:605), IAF is to classify its revenue and expense on the basis of the classification of operations adopted by the Board.

The number of full-time equivalents was allocated according to time worked on completed activities in the respective operational areas.<sup>7</sup>

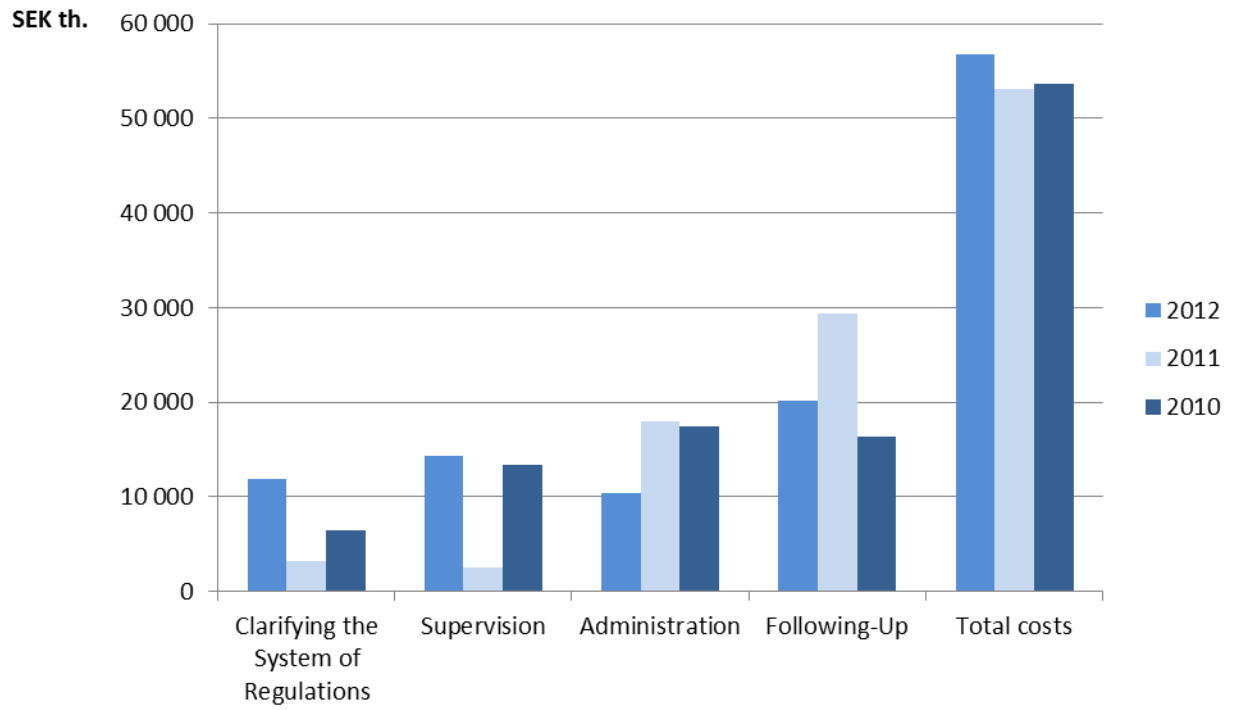
Amounts collected and transfers are accounted for under Administration if they fall within this operational sector operationally.

Table 22: Classification of revenue and expense for the Board, by operational sector (SEK th.)

	2012	2011	2010
<b>Grants</b>			
Clarifying the System of Regulations	11,682	3,133	6,443
Supervision	13,982	2,543	13,382
Administration	10,147	17,666	17,347
Following-Up	19,754	28,935	16,356
<b>Total grants</b>	<b>55,565</b>	<b>52,277</b>	<b>53,528</b>
<b>Other revenue</b>			
Clarifying the System of Regulations	239	48	19
Supervision	287	39	39
Administration	208	270	51
Following-Up	405	442	48
<b>Total other revenue</b>	<b>1,139</b>	<b>799</b>	<b>157</b>
<b>Total grants</b>	<b>56,704</b>	<b>53,076</b>	<b>53,685</b>
<b>Costs of operations</b>			
Clarifying the System of Regulations	11,921	3,181	6,462
Supervision	14,269	2,582	13,421
Administration	10,356	17,936	17,398
Following-Up	20,160	29,377	16,404
<b>Total costs</b>	<b>56,705</b>	<b>53,076</b>	<b>53,685</b>
<b>Collection – Revenue not at IAF's disposal</b>			
Administration	5,193,378	4,956,831	6,241,760
<b>Total collection</b>	<b>5,193,378</b>	<b>4,956,831</b>	<b>6,241,760</b>
<b>Transfers – Grants provided</b>			
Administration	53,019	52,444	52,008
<b>Total transfers</b>	<b>53,019</b>	<b>52,444</b>	<b>52,008</b>

<sup>7</sup> The number of full-time equivalents (FTEs) for 2012 (57) was allocated to the operational sectors on the basis of time reported in the annual report. Clarifying the System of Regulations 12 FTEs, Supervision 14.3 FTEs, Administration 10.4 FTEs, Following-Up 20.3 FTEs. Other revenue includes revenue in connection with the twinning project in Croatia, in the amount of (SEK 956 th.), which is not at IAF's disposal.

Diagram 2: Costs of operations 2010-2012, by IAF's four operational sectors.



Source: IAF, Palasso



## 3 Competence provision

Operations at IAF are knowledge-intensive. In its core operations, IAF needs degree-qualified personnel, above all in law, sociology, statistics and economics. For its backup operations, the Board is also dependent on strategically important skills in, for example, economics, IT (information technology), communication and HR (Human Resources). In view of IAF's knowledge-intensive operations, people have to be recruited in many cases from locations away from IAF's headquarters in Katrineholm. This means that IAF depends on its personnel being able to commute daily to the Board from surrounding localities.

IAF's work on competence provision is a priority management issue, both continuously over the year and during planning of operations. IAF carries out its competence provision in accordance with the Board's mandate as defined in its remit and appropriation directions. Routines and policy documents are in place supporting essential aspects of work in HR, linked to the Board's work in competence provision.

IAF's operational objective for competence provision is to ensure that

- IAF has the competence and personnel appropriate to the needs of and changes in the organization.

### 3.1 Focus of work on competence provision in 2012

In 2012, IAF developed a competence provision strategy aimed at ensuring that its competence provision contributes to enabling the Board to fulfil its mandates and achieve the objectives set for the organization.

The competence provision strategy constitutes a framework of values and aspirations for an overarching direction for what IAF is to do to assure its competence provision. The strategy serves as the basis for the Board's deliberations in connection with its annual operational planning, when priorities for individual areas for development in the area of competence provision are defined and agreed for the following year.

In 2012, IAF completed a development project entitled "What makes a healthy workplace?" IAF also integrated within this project a process to establish and consolidate the government's value base. The findings from an employee survey carried out in 2012 formed an important building block for this project. One result of the development initiative was the creation of a model for a systematic focus on the work environment at the Board.

The findings from the employee survey were not only processed within the unit concerned at IAF but also compiled at organization-wide level in connection with the Board's IAF Conference. The IAF Conference is the Board's annual planning session for the employees as a whole. The suggestions that emerged during the IAF Conference, concerning certain work procedures and communication within the Board, will be trialled in 2013.

IAF conducted various initiatives aimed at answering the question "What makes a healthy workplace?" and at living up to the Board's ambition to be an attractive employer that is able to retain, develop and recruit operational competence as required by IAF's remit. As part of this programme, all managers and supervisors underwent a 1-day course in conversation methodology.

Employees at IAF have a personal development plan that is updated annually at the regular performance appraisal and may be adjusted during a follow-up discussion. Managers and supervisors are responsible for optimal deployment and development of the competence required by the organization. At the same time, individual employees are responsible for their own learning. Individual competence development initiatives at individual level were carried

out during the year on the basis of the respective individual plans. Development initiatives that were carried out included the following:

- IT – training in parts of the Office suite. Courses were held at various levels, from basic to advanced 39 employees took part in one or more of these courses.
- A number of employees participated in two seminars organized by Supervision.
  - Lean – supervision with structured common sense.
  - How does the EU affect supervision?

In 2011-2012, IAF's Director-General served as chairman of Tillsynsforum's (the network of government supervisory authorities) steering committee, in order to be involved in further developing experience-sharing between supervisory authorities and competence development for employees involved in supervision in the government sector.

- Over the year, IAF held nine in-house theme-based seminars, to which all employees were invited. The seminars focused on topics related to IAF's core operations. The topics addressed during the year were as follows:
  - Information on the direction of labour market policy in 2012
  - Information on the ministerial memorandum "Legal certainty and equal treatment in unemployment insurance" (DS 2012:3)
  - Information on findings from the reports "Social Security Fraud and Tax Fraud – Double Criminality in the Welfare System" and "Fraud in the Unemployment Insurance System" Swedish National Council for Crime Prevention (Brottsförebyggande rådet – BRÅ)
  - Information from the Employment Service on its labour market survey
  - Information from the Employment Service on its control function
  - Information on the operations, role and mandate of the Swedish Federation of Unemployment Insurance Funds
  - Information on International Social Security Association and the work of its Technical Commission
  - Information on IAF's supervisory role regarding the Employment Service's actions on jobseekers failing to appear at an arranged interview or failing to make agreed contact with the Employment Service.
  - Information on the work of the Parliamentary Government Commission on Social Insurance at the above-mentioned IAF Conference.
- 28 IAF employees took part in one or more of the Faculty course topics within the theme of Supervision.
- 20 employees took part in one or more of IAF's in-house courses in clear communication.
- 12 new employees underwent an induction programme, comprising both general and individual components.

A programme comprising in-house basic training in IAF's core remit for new employees was developed during the year.

IAF reviewed its pay policy with a view to further clarification of IAF's principles for pay setting. This also made it necessary to review the "BESTA" codes as defined in the Swedish Agency for Government Employers' model. The BESTA system classifies positions in government according to the nature of the duties and degree of difficulty.

## 3.2 Health Promotion

IAF aspires to be a health-promoting workplace with a good work environment. Against that background, IAF offers its employees subsidized fees for external fitness activities. In 2012, the offering was taken up by 30 employees. Furthermore, all employees were offered the chance to take part in ten group fitness sessions during the year. These activities were

procured from a local fitness promoter in Katrineholm. Subsidized massage is also available in the workplace.

IAF's employees are able to spend one working hour per week on a fitness activity.

All employees were offered the chance to have their fitness profile checked via the Previa company health service. This programme began with an "inspirations" seminar on work, lifestyle and health. 34 employees took advantage of Previa's health profile check.

In the spring and autumn, 16 and 17 employees, respectively, took part in a step-counting competition arranged by an external organizer.

Table 23: Sickness absence as a percentage of the total working hours of IAF employees, by gender and age in 2012.

	2012	2011	2010	2009
<b>Total</b>	2.1	3.7	2.7	3
Women	2.3	3.1	3.3	3.7
Men	1.6	4.7	1.8	1.9
Employees aged 29 years or less	1.8	1.7	2.1	1.2
Employees aged 30-49 years	1.9	3.6	2.2	1.6
<i>Employees aged 50 years or more</i>	2.6	4.5	3.5	5.8

Source: IAF, Palasso

Compared to earlier years, fewer employees left IAF to progress their career elsewhere. In all, seven employees left IAF in 2012, compared to 11 in 2011. Out of these seven, five had already been on leave of absence to try out other work. The corresponding figure for 2011 was three.

IAF recruited a number of qualified candidates to meet the needs of the organization. Recruitments to IAF are always based on thorough analysis of the operational competence needed for the organization. Recruitment by IAF was favoured by a strong recruitment position, with many qualified applicants for every position. IAF considers that the new employees will, via their competence, be able to contribute to the organization.

## List of IAF reports (only available in Swedish)

### 3.3 Operational sector Supervision – Rules-based Auditing

19/03/2012	2012:1 IAF:s granskning av företagarenden (IAF auditing of self-employment cases): Akademikernas erkända arbetslöshetskassa
13/06/2012	2012:5 Ekonomigranskning 2011 (Financial audit)
14/09/2012	2012:10 Arbetsförmedlingens handläggning och dokumentation när anvisat arbete inte sökts (Employment Service's administration and documentation when no application has been made regarding a job referral)
04/10/2012	2012:13 Granskning av arbetslöshetskassornas årsredovisningar för 2011 (Auditing of unemployment insurance funds' 2011 annual reports)
13/12/2012	2012:16 Återkallande av anvisning till arbetsmarknadspolitiskt program (Cancellation of referral to labour market policy programme)
20/12/2012	2012:17 Tillämpningen av arbetslöshetsförsäkringen inom kulturarbetsmarknaden (Application of the unemployment insurance system in culture and media market)

### 3.4 Operational sector Following-Up – Specialist investigations and analysis

02/02/2012	2012:2 Arbetsförmedlingens underrättelser om ifrågasatt ersättningsrätt och avmälan (Employment Service's notifications of disputed right to benefit and deregistration)
26/04/2012	2012:3 Arbetslöshetskassornas arbete med systematiska kontroller av ärendekvaliteten (The work of the unemployment insurance funds on systematic verification of the quality of case management)
28/05/2012	2012:4 Arbetsförmedlingens kontrollfunktion i samarbetet med

	kompletterande aktörer (Employment Service's control function in its collaboration with parties with a complementary role)
11/06/2012	Documentation concerning grants to unemployment insurance funds
02/08/2012	2012:6 Arbetsförmedlingens skriftliga information om arbetslöshetsförsäkringen (Employment Service's information in writing on the unemployment insurance system)
22/08/2012	2012:7 Arbetslöshetskassornas beslut om fortsatt ersättningsrätt efter underrättelse (Unemployment insurance funds' decisions on continued right to benefit after notification)
29/08/2012	2012:8 Arbetslöshetskassornas rutiner för polisanmälan enligt bidragsbrottslagen (Unemployment insurance funds' routines for reporting of fraud to police in accordance with the Swedish Benefit Crime Act)
31/08/2012	2012:9 Arbetslöshetskassornas hantering av branschspecifika regler och verksamhetsområden (Unemployment insurance funds' observance of sector-specific rules and operational areas)
01/10/2012	2012:11 Arbetsförmedlingens indikatorer för att följa upp kontrollen av arbetssökande som söker arbetslöshetsersättning (Employment Service's indicators for following up checks on jobseekers claiming unemployment benefit)
01/10/2012	2012:12 Arbetsförmedlingens underrättelser om ifrågasatt ersättningsrätt och avmälan (Employment Service's notifications of disputed right to benefit and deregistration)
01/11/2012	2012:14 Hur säkerställs att personer med arbetslöshetsersättning inte samtidigt får ersättning från socialförsäkringen? (What measures are in place to ensure that claimants in receipt of unemployment benefit are not at the same time in receipt of social insurance benefits?)
01/11/2012	2012:15 Arbetslöshetskassornas beräkning av arbetslöshetsersättningen enligt EU-förordningen (Unemployment insurance funds' calculation of unemployment benefit in accordance with EU Regulation)

#### 3.4.10 *Facts about unemployment insurance*

28/03/2012	Fakta om arbetslöshetsförsäkringen 2012:1 Vilka personer söker arbete i Europa med svensk arbetslöshetsersättning? (Facts about unemployment insurance 2012:1 – What people are seeking work
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	in Europe while in receipt of Swedish unemployment benefit?)
01/06/2012	Fakta om arbetslöshetsförsäkringen 2012:2 Arbetslöshetskassornas styrelsemöten – sammanställning av IAF:s enkät (Facts about unemployment insurance 2012:1 – Unemployment insurance funds Board meetings – compilation of data from IAF surveys)

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