



Audit on the Establishment and Status of the Social Security Information System

Disclosed on 14 November 2011

Background

Korea was recognized as an Information Technology (IT) powerhouse by the international community of the UN in 2010. Such an achievement is attributable to the significant investments that the Korean government has commissioned toward improving the country's information infrastructure within a short period of time.

The government is investing 1 trillion won every year in an e-government project for citizens in the welfare and employment sectors by utilizing the renewed information infrastructure.

However, the information system of some government ministries proved to have overlapping functions and there was a noticeable lack of connectivity between them. Errors and omitted data by the administrators were discovered as well, leading to the citizens losing faith in the system.

Audit Objectives

The Board of Audit and Inspection (BAI) conducted an audit on the information systems in the area of service delivery to improve the system's efficiency and convenience.

Audit Findings

A. Establishment of Information System

The Ministry of Land, Transport and Maritime Affairs (MLTMA) has established an "online automobile management system," where people can manage all activities pertaining to automobiles, from registering to discarding, through the website.

Car owners need to pay an acquisition tax when registering his/her car(s) on the “We Tax System,” an online tax collecting system operated and managed by the Ministry of Public Administration and Security (MPAS). However, the “online automobile management system” and the “We Tax System” were not linked together.

As a result, car owners had to go through the whole process of applying for registration, receiving the acquisition tax bill, paying tax, and completing the registration by physically visiting the vehicle registration office, which underutilizes the online system.

B. Development of Information System

The Ministry of Health and Welfare (MW) established a Social Security Information System in order to prevent fraudulent receipt of welfare benefits, and is currently operating the system in connection with the income and asset data received from the National Tax Service agency.

It was found, however, that certain war veteran honorees received welfare benefits, not based on the Social Security Information System, but based on an income level survey conducted by the Ministry of Patriots and Veterans Affairs (MPVA). This lacks accuracy in comparison to the data found on the Social Security Information System.

As a result, households of war veteran honorees, who are unqualified to receive benefits due to their annual income and assets, received medical benefits totaling 2 billion won for 2011.

C. Information System Contract

The Ministry of Knowledge and Economy (MKE) limit the participation of software developers of large companies in auction to better establish the information system implemented by government agencies. This was aimed to boost the participation of software developers from small and medium-sized enterprises.

Some government agencies, however, raised project prices in order to sign contracts with larger firms: annual contracts were awarded as a multiyear contract or a contract was signed by consolidating several contracts into one contract. This created barriers for small and medium-sized software developers from bidding in the auction.

Recommendations

The BAI notified MLTMA and the MPAS to devise measures to interconnect the “online automobile management system” and the “We Tax system.”

The BAI notified MW and MPVA to develop measures to utilize the Social Security Information System to accurately ascertain the income and assets of the families of underprivileged war veteran honorees, so that they can receive medical benefits.

The BAI notified the MKE to devise reasonable measures, of which software developers from small and medium-sized could participate in a government-led auction without barriers.