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The efficiency of the Danish Working Environment Authority's (WEA) inspections

1. Introduction and conclusion

1.1. Purpose and conclusion

1. There is not much to indicate that things are going in the right direction with the working environment in Denmark. In a report from 2019, the National Research Centre for the Working Environment in Denmark concluded that generally the working environment in Denmark has not undergone any major changes since 2016. Successive governments have over a long period of time had ambitions to foster a healthier working environment. In 2011, the Danish parliament decided that work-related accidents and physical and mental strain among wage earners should be reduced by 2020. According to the Danish Working Environment Authority's (WEA) mid-term evaluation report from 2017, the number of mentally and physically strained wage earners increased by approx. 17% and 15%, respectively, in the period from 2012 to 2016. The WEA's most recent statistics on work-related accidents show that the number of reported work-related accidents has remained largely the same in the period from 2014 to 2019, although more accidents were reported in 2018 and 2019. In 2018, a study of the mental working environment found a negative trend in the development from 2012 to 2018. According to the Expert Committee on the Working Environment, the policy measures taken had not adequately contributed to reducing the most severe working environment challenges. Therefore, in 2018, the committee recommended that the WEA should target more companies with risk management problems to ensure that action was taken against these, and leave companies with no such problems undisturbed.

A poor working environment is costly for both the companies and the government, because work-related accidents, people who are worn out from hard work and physical and/or mental strain can lead to absence from work or termination of an active working life. Work-related injuries can entail considerable expenditure for health benefits, additional expenditure for health services, production losses for the affected companies and loss of tax revenues.

Expert Committee on the Working Environment

This committee was established by the government in 2017. It consists of a chairperson, 4 researchers, 4 representatives of the social partners. The committee was asked to map the most severe challenges facing the Danish working environment and to examine the effectiveness of measures implemented. The committee was also asked to rethink the working environment effort, including the organisation of the working environment system, shed light on the greatest challenges relating to compliance and make recommendations in this respect to the government.

Targets set in the 2011 agreement

- Serious work-related accidents to be reduced by 25%.
- Mental stress to be reduced by 20%.
- Musculoskeletal stress to be reduced by 20%.

The Working Environment Act

The working environment regulations appear from consolidating act no. 375 from 31 March 2020.

The Working Environment Act authorises the WEA to make decisions and take consistent action with the companies that fail to comply with the requirements of the legislation.

It is the responsibility of the individual company to provide a healthy working environment for its employee. The purpose of the WEA is to foster a safe, healthy and stimulating working environment in order to reduce the risk of work-related accidents, sickness absence and expulsion from the labour market. This is achieved through supervision of companies and by checking compliance with the Working Environment Act. When the WEA detects violations of the working environment regulations, the WEA is authorised by law to impose sanctions to put a stop to violations of the act. A sanction can either be a decision in the form of a ban or an injunction, or the provision of written guidance to the company. The companies are under an obligation to follow decisions made by the WEA. Written guidance is provided to companies, when the issues with the working environment can be adjusted, and a decision is not warranted.

The WEA's supervision is risk-based to ensure that it has the greatest possible impact on the working environment. Risk-based supervision means that the WEA's efforts target the companies with the greatest risk management problems. In addition to supervision, the WEA also encourages, provides guidance to and supports companies in their efforts to solve their working environment problems.

Dialogue and guidance on inspections

Dialogue is an inclusive conversation aiming to motivate the companies to prevent and solve their working environment problems. When the WEA makes decisions at inspections, the dialogue serves the purpose of ensuring that the companies address not only the specific issues raised, but apply the lessons learned to other areas as well.

2. This report concerns the WEA's efforts to detect violations of the working environment regulations in the period from 2016 to 2019. Thus, the report has focus on only part of the WEA's responsibilities which also include fostering healthy working environments through dialogue with and oral guidance of companies, general communications on working environment issues and improving the regulations that govern working environment.

The purpose of the study is to assess whether the Ministry of Employment has ensured progress in the effectiveness of the WEA's inspections. The effectiveness of inspections is defined as the relationship between salary costs and the number of sanctions imposed due to violations of the Working Environment Act. The development in the efficiency of inspections is an important factor for achievement of a positive development in the effectiveness of inspections. The efficiency of inspections is defined as the relationship between the resources that the WEA puts into inspections and the number of hours, the inspectors spend in the companies (company hours). Inspections on location in the companies are an important prerequisite to achieving positive results for the working environment. On inspections, the WEA communicates with and provides guidance to the companies and can look for and sanction violations of the Working Environment Act. If the WEA's inspections are highly effective, it means that the WEA understands how time spent in the companies is best used to detect violations of the working environment regulations.

3. Rigsrevisionen initiated the study in November 2019.



Main conclusion

The Ministry of Employment has not ensured progress in the effectiveness of the WEA's inspections. In the period examined, the WEA has spent more time in the companies and has recorded a positive development in its inspection efficiency, which, however, has not resulted in relatively more sanctions being imposed. This could potentially lead to an increase in illegal and unhealthy working environments and thus an increase in the number of work-related accidents, physical wear-down and mental problems.

Seen over the entire period examined, the effectiveness of the WEA's inspections has been stable; in 2019 the salary costs of imposing a sanction were the same as in 2016. The study also found that the WEA's performance in detecting and putting a stop to violations of the working environment regulations in 2019 fell short of its performance in 2017, when the effectiveness of inspections was at its highest. Since 2017, the effectiveness of inspections has dropped by 10%. According to the WEA, because dialogue with and guidance provided to the companies have been prioritised. However, the WEA has no documentation to verify this, because the authority is not keeping records of time spent on dialogue and the provision of guidance. Rigsrevisionen's analysis shows that the fact that the WEA imposes fewer sanctions on each inspection visit also affects the effectiveness of inspections.

Rigsrevisionen is aware that the number of sanctions imposed does not fully reflect the WEA's inspection effort. Yet, because the WEA's inspections are planned based on risk assessments, sanctions are the most relevant indicator to use. This means that, in order to achieve the greatest possible effect of its effort, the WEA predominantly inspects the companies, where the risk of working environment violations is greatest.

The inspectors spend more time in the companies, and the WEA's inspection efficiency has increased steadily over the years. Over the period, it has increased by 15% which, among other things, is due to the fact that the inspectors spend less time on transport, preparations and reporting the outcome of their inspections. The WEA has informed Rigsrevisionen that, in accordance with a political agreement from 2011, it has devoted more time to communicating with and providing guidance to the companies on location. This explains why the effectiveness of inspections has decreased from 2017 to 2019, despite the fact that the efficiency of inspections has increased over the entire period. This means that even though the inspectors have spent more time in the companies, the WEA has imposed fewer sanctions.

In the period examined, the total number of company hours has dropped by 7% despite the fact that the inspectors spend more of their time in the companies. The total number of sanctions imposed in the same period dropped by 20%. The WEA has informed Rigsrevisionen that the shortfall in hours and sanctions imposed is related to reduced government funding. From 2016 to 2019, total funding was cut by 4%, and the WEA spent 15% less on inspections.

Inspection effectiveness

The relationship between salary costs and the number of sanctions imposed due to violations of the Working Environment Act.

Inspection efficiency

The relationship between the resources that the WEA put into inspections and the number of hours, the inspectors spend in the companies.

Inspection-related activities

These include:

- Dialogue with and guidance of companies
- Preparation of sanctions
- Inspections on location
- Transport
- Transport in connection with field work to detect cases of social dumping
- Preparations and reporting the outcome of inspections
- Contact to companies through a call centre.

Rigsrevisionen's calculations show that, if the WEA had sustained the high level of inspection effectiveness achieved in 2017, the WEA would - other things being equal - for the same salary costs allocated to inspection-related activities have been able to impose approx. 2,300 additional sanctions in 2019. This corresponds to an increase in sanctions of 11%, which indicates that the effectiveness of the WEA's inspections could have been higher in the period from 2018 to 2019.

Inspection Centre North has imposed considerably more sanctions relative to salary costs for inspection-related activities compared to the two other inspection centres in Denmark. Rigsrevisionen's calculations show that, if the other inspection centres were on level with inspection centre North, they would have imposed 18% more sanctions in 2019. Rigsrevisionen's analyses are not indicating that the variances between the inspection centres are caused by differences in industrial structure, salary levels, seniority or differences in resources spent on the various inspection activities. The analyses therefore indicate that, if the two other inspection centres performed as well as Inspection Centre North, the WEA's effectiveness of inspections would have been higher in 2019.