



Extract from the report to the  
Public Accounts Committee on  
the co-operation between the  
municipalities and Udbetaling  
Danmark

May  
2015

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# 1. Introduction and conclusion

## 1.1. Purpose and conclusion

1. This report concerns the co-operation established between the Danish municipalities and *Udbetaling Danmark* (independent government institution responsible for the collection, disbursement and control of various public benefits) on the guidance and assistance provided to the citizens and the control of the disbursement of social benefits.

Rigsrevisionen has, since 2012, followed the establishment of Udbetaling Danmark, which handles disbursement of benefits worth approximately DKK 202 billion a year to around 2 million citizens. The point of departure for this study is the report submitted to the Danish Public Accounts Committee in January 2013 on the establishment of Udbetaling Danmark. Based on that report, the members of the Public Accounts Committee concluded, among other things, that it still needed to be determined whether the co-operation between the municipalities and Udbetaling Danmark meet the requirements, for instance, in regard to the guidance and assistance that the municipalities are obliged to provide to the citizens. The disbursement of social benefits is a financially significant area and examining the co-operation between the municipalities and Udbetaling Danmark is therefore relevant for Rigsrevisionen.

The purpose of the study is to assess the effectiveness of the co-operation established between the municipalities and Udbetaling Danmark on the guidance and assistance provided to the citizens and the control of the disbursement of social benefits. Udbetaling Danmark belongs under the Ministry of Children, Gender Equality, Integration and Social Affairs (the Ministry of Social Affairs), which, through its supervision of the institution is required to have general knowledge of how the area is being administered, including whether the legislation is generally being complied with and considered appropriate. The report answers the following questions:

- Are the municipalities, Udbetaling Danmark and the Ministry of Social Affairs ensuring the effectiveness of the co-operation between the municipalities and Udbetaling Danmark on guidance and assistance provided to the citizens?
- Are the municipalities, Udbetaling Danmark and the Ministry of Social Affairs ensuring the effectiveness of the co-operation between the municipalities and Udbetaling Danmark on the control of the disbursement of social benefits?

*The minister's supervisory obligation can be divided as follows:*

- *Statutory supervision – is the authority meeting the requirements of substantive rules.*
- *Non-statutory supervision – the minister must have general knowledge of how the area is administered by the authority.*

## CONCLUSION

It is Rigsrevisionen's assessment that in general, the co-operation between the municipalities and Udbetaling Danmark on the guidance and assistance provided to the citizens is effective, but no data is yet available on the citizens' perception of the guidance and assistance they receive.

Rigsrevisionen finds it unsatisfactory that the municipalities and Udbetaling Danmark have not at this point – two years after the establishment of Udbetaling Danmark – managed to set up an effective co-operation for the control of disbursements of social benefits.

Rigsrevisionen finds it positive that Udbetaling Danmark has taken several steps to strengthen its dialogue and co-operation with the municipalities concerning the guidance and assistance provided to the citizens. According to surveys conducted by Udbetaling Danmark, the municipalities are now also generally satisfied with the co-operation. How the service level is perceived depends on the authorities' ability to avoid that the citizens are thrown backwards and forwards between the authorities by making correct and uniform assessments concerning their need for guidance and assistance. In the opinion of Rigsrevisionen, neither the municipalities nor Udbetaling Danmark has access to sufficient data on this issue.

A complete basis for assessing the quality, scope and effect of the control of disbursements of social benefits, as handled by the municipalities before the establishment of Udbetaling Danmark, is not available. Rigsrevisionen recognises that Udbetaling Danmark is making a huge effort to prevent or stop disbursement of incorrect payments, for instance, by pooling data from multiple sources.

Udbetaling Danmark and the municipalities share the responsibility for controlling the disbursement of approximately DKK 202 billion annually. Rigsrevisionen finds that there is a need to strengthen the co-operation with the municipalities in cases where benefit fraud is suspected. The municipalities, Udbetaling Danmark and the Ministry of Social Affairs have known for a long time that their co-operation in this area is not satisfactory. It is, for instance, not possible to determine whether the municipalities use the allocated 50 full-time equivalent employees for control of disbursements made through Udbetaling Danmark. Moreover, the very modest exchange of data between the authorities seems to indicate a gap in the control of benefits disbursed in the cases that require cooperation between the municipalities and Udbetaling Danmark.

With the amendment of the law that took effect on 1 May 2015, the Ministry of Social Affairs contributed to providing a basis for a more committed cooperation between the municipalities and Udbetaling Danmark. Rigsrevisionen welcomes this step and expects the Ministry of Social Affairs to ensure – through its supervision – that the municipalities and Udbetaling Danmark strengthen the control of disbursement of social benefits, and implement the recently adopted legislative changes as soon as possible. Rigsrevisionen emphasises the importance of ensuring that the citizens perceive the control as being effective, since it serves also a preventive purpose.

Rigsrevisionen recommends that the municipalities and Udbetaling Danmark establish a joint framework for the measurement of target achievement, a joint definition of the most effective control measures and a uniform approach to estimating the financial value of the control. In the opinion of Rigsrevisionen, these steps will raise the profile of the control and contribute to making it more effective, both in areas where expenses are refunded by the government and in areas where expenses are funded by the local level.

Rigsrevisionen also recommends that the municipalities and Udbetaling Danmark take steps to ascertain whether the fact that the responsibility for providing guidance and assistance is now shared between them, has affected the citizens' perception of the service delivery. Having access to such knowledge may assist the municipalities and Udbetaling Danmark in efforts to improve the level of service provided to the citizens.

**The financial value of the control** is composed of the following:

1. The future value of the benefit payments stopped and converted into a full-year payment.
2. This amount is added to the amount of benefits reclaimed.