



Extract from the report to the  
Public Accounts Committee on  
specialised social services

– government transfers to local and regional  
authorities in 2012

November  
2013

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## I. Introduction and conclusion

1. Rigsrevisionen audits government transfers to the local and regional authorities every year to determine whether transfers are in compliance with agreements made and funds are used in accordance with current rules and regulations, and the financial statements are correct. The results of the audit form part of the basis for Rigsrevisionen's overall opinion on the state accounts, which is included in the report to the Danish Public Accounts Committee on the audit of the state accounts for 2012 (issued in November 2013). The report briefly refers to the overall results of the audit of government transfers to municipalities and regions.

2. This report concerns specific issues within specialised social services, which Rigsrevisionen has had special focus on during its audit of municipalities and regions in 2012.

The municipal reform in 2007 included a restructure of the area of specialised social services, which made the local councils the focal point for provision of such services to the citizens. The restructure was meant to provide the individual local council with an overview of the price and range of services available, in market-like conditions. The so-called web-based *Tilbudsportalen* (Social Services Gateway) provides information on tariffs and approved services. Every year, the five regions enter framework agreements with their respective municipalities in order to further increase transparency concerning capacity and the need for services and places in various facilities. The framework agreements make up the regions' primary basis for providing services in the area and they specify the principles governing calculation of tariffs in compliance with the government order on tariffs.

The review carried out by Rigsrevisionen in the regions included examination of the practicality of the framework agreements for the regions as effective tools for managing the specialised social services area. The review also included an examination of whether the transparency and comparability of the tariffs provided through the Social Services Gateway allow the municipalities to select the best suited services at the best possible prices when citizens are referred by their local council to receive services in this particular area.

Rigsrevisionen has also examined the local councils' procurement of services in the area of specialised social services. This examination included the municipalities' administration of cases concerning citizens with impaired physical or mental function that had been referred to temporary or long-term accommodation in accordance with sections 107 and 108 of the Consolidation Act on Social Services. The local councils' expenses relating to the provision of such accommodation are reimbursed by the government if the costs exceed a certain threshold value and meet the provisions of section 176 of the Consolidation Act on Social Services concerning exceptionally expensive specific cases.

**Tilbudsportalen (Social Services Gateway)** was established in connection with the municipal reform in 2007. It is a national government database providing information on municipal, regional and private social services and facilities.

The portal is run by the National Board of Social Services and provides details on the price and content of services provided.

**The framework agreements** – running for one calendar year – are entered between the regions and the respective municipalities. The agreements specify how the services provided by the specific region and municipalities should be developed and managed. The agreements include overviews of all relevant offers and services available in the specialised social area.

**Government Order on Tariffs**  
Government order no 683 of 20 June 2007 concerning cost-based municipal social services.

**Exceptionally expensive cases**  
The municipalities' expenses in relation to specific cases concerning assistance and counselling for citizens under the age of 67 will be partly reimbursed by the government. Depending on the total expenses, the government will reimburse either 25 per cent or 50 per cent of the expenses.

**Temporary accommodation provided in accordance with section 107 of the Consolidation Act on Social Services.**

*The municipalities shall offer temporary accommodation to persons with substantially impaired physical or mental function or other special social problems.*

**Long-term accommodation in accordance with section 108 of the Consolidation Act on Social Services**

*The municipalities shall provide accommodation in facilities suitable for long-term accommodation for persons in need of extensive assistance for general day-to-day functions or care, attendance or treatment, where such needs cannot be addressed in any other way.*

3. The overall objective of the examination is to review how the regional and local levels perform their tasks in an area that affect the citizens directly. The report answers the following questions:

- Are the framework agreements providing the regions with a practical tool for managing the area of specialised social services?
- Are the tariffs presented at the Social Services Gateway transparent and comparable and thus allowing the local councils to select the best suited services at the best possible price for their citizens?
- Do the local councils' referral procedures concerning accommodation under the Consolidation of Social Services Act, sections 107 and 108 underpin correct case work?
- Have the municipalities, in general, organised their administration of government reimbursements in a manner that contributes to ensuring that they are settled in accordance with the provisions?

## MAIN CONCLUSION

Rigsrevisionen finds that the framework agreements entered between the regions and municipalities do not adequately support the regions' management of the area of specialised social services. Mainly because the regions are under obligation to provide the number of places that the municipalities have demanded in the framework agreement with the region, whereas the municipalities are not under an obligation to take these places. This implies the risk that the framework agreements do not meet the objective of ensuring appropriate use of resources and expertise.

Yet, in spite of the weaknesses of the framework agreements, Rigsrevisionen finds that the regions have managed to ensure the economic balance of the area, over time. The Capital Region of Denmark has, however, in the period 2007 to 2012 generated a total surplus of DKK 99.1 million. This development is in the opinion of Rigsrevisionen not entirely in line with the requirement that the area should be characterised by economic equilibrium. The Capital Region of Denmark expects the accumulated surplus to be offset in the course of 2014 and 2015.

According to the local councils, the tariffs on the Social Services Gateway are not transparent and difficult to compare. The reason is partly that different price structures used in the five framework agreements affect the tariffs, and partly that other provisions determine the tariffs of social services that are not included in the framework agreements.

These differences make it difficult for the municipalities to compare services and tariffs across municipal borders when citizens are referred to specific services. Rigsrevisionen's examination shows that, in general, the audited local councils only make limited use of the Social Services Gateway when they are searching for the best service at the best price. The market-like conditions that were meant to secure the best suited services at the best possible prices have not been fully implemented. Against this background, Rigsrevisionen has concluded that the Social Services Gateway does not meet its objective of creating transparency and comparability of services.

The local councils are allowed to refer citizens only to services that have been approved and are registered with the Social Services Gateway. Rigsrevisionen therefore does not consider it satisfactory that the eight local councils visited – when providing accommodation in accordance with the provisions of the Consolidation of Social Services Act, sections 107 and 108 – do not always refer the citizens to services that are registered with the Social Services Gateway. However, the information on the portal is not always valid and Rigsrevisionen is therefore of the opinion that the Ministry of Social Affairs, Children and Integration should take steps to improve the data quality.

In the opinion of Rigsrevisionen, the eight local councils can improve referrals to accommodation in compliance with the provisions of the Consolidation of Social Services Act, sections 107 and 108, for instance, by providing written guidelines and improved management supervision to the case workers. The eight local councils have all introduced or are about to introduce methods for systematic case handling in connection with referrals to accommodation. Rigsrevisionen draws attention to the fact that the local councils are responsible for establishing adequate business procedures for the case work.

Last, Rigsrevisionen cannot determine with any certainty that the local councils of Copenhagen and Rebild have settled their government reimbursements correctly. Both councils are working to improve their administration in order to ensure correct settlement of government reimbursements.