



Extract from the report to the  
Public Accounts Committee on  
the local authorities' employment  
initiatives directed at social  
assistance recipients

May  
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## I. Introduction and results

1. This report deals with the efforts of local authority job centres to provide jobs for social assistance recipients and the Ministry of Employment's supervision of these initiatives. The examination is based on the rules governing local authority management of the initiatives and the Ministry's related supervision. The examination focuses on whether these rules are observed. The employment and social assistance area is governed by a large body of rules. Rigsrevisionen initiated the examination at its own initiative in May 2008.

2. The employment initiatives targeted at the unemployed in Denmark are concentrated in 91 job centres set up on 1 January 2007 as part of the employment and structural reforms. The local authorities handle social assistance payments, and the local councils are responsible for employment initiatives targeted at social assistance recipients. These initiatives consist of several different case-processing measures that job centres must take from the time an unemployed person applies for social assistance benefit until he or she finds employment or for other reasons is no longer eligible for social assistance benefits.

3. In 2008, a total of 150,000 people received social assistance benefits for varying periods of time. Most social assistance recipients are unfit for work (67%), that is, they have problems other than unemployment.

4. According to the 2008 Finance and Appropriation Act, government expenditure for reimbursing social assistance benefits amounted to approx. DKK 4.9 billion.

5. The purpose of the examination is to evaluate whether the local authorities adequately ensure that social assistance recipients are offered and participate in the employment programmes they are entitled to and required to participate in according to the law, and whether local authorities administer the 300-hour rule correctly. Finally, the purpose is to evaluate the Ministry of Employment's supervision of job centre initiatives by answering the following questions:

- Do local authority job centres ensure that social assistance recipients are offered the employment programmes they are entitled to and required to participate in?
- Do local authority job centres assess the availability of social assistance recipients who are fit for work as prescribed by law?
- Do the local authorities administer the 300-hour rule as prescribed by law?
- Is the Ministry of Employment's supervision of job centre employment initiatives targeted at social assistance recipients satisfactory?

### Employment initiatives

The initiatives consist of several case-processing measures, e.g.:

- job potential assessments
- match categorization depending on gap between social assistance recipient and labour market
- CV interviews
- job interviews
- activation offers
- availability assessments.

### 300-hour rule

The 300-hour rule covers married couples where both spouses receive social assistance benefit. When spouses have been unemployed for a total of two years or more altogether they must each have had ordinary and unsubsidised work for no fewer than 300 hours within the most recent 24 calendar months in order to remain eligible for social assistance benefit.

## MAIN FINDINGS AND CONCLUSIONS

The local authority job centres have existed for a couple of years, but generally, the statutory requirements regarding the right and obligation of social assistance recipients to participate in employment programmes have remained unchanged for several years.

Overall, Rigsrevisionen finds that the job centres have not adequately met the statutory requirements that apply to the employment area. Major differences exist as to how well job centres meet these requirements. This means that many job centres fail to ensure that social assistance recipients are offered and participate in the employment programmes they are entitled to and required to participate in. At the same time, certain local authorities are wrongfully receiving government reimbursements. Rigsrevisionen finds that the job centres' employment initiatives in these areas are inadequate.

Rigsrevisionen finds that local authorities administer the so-called 300-hour rule for married couples according to the statutory requirements.

The Ministry of Employment carries out statutory supervision of a limited number of local authority employment initiatives and also follows-up more generally on other areas of employment activities. Rigsrevisionen finds that the specific statutory supervision does not cover fundamental and complex areas of the activities, such as activation offers and job search which are partly comprised by the Ministry's general follow-up. The Ministry's supervision and general follow-up have not prompted job centres to meet the statutory requirements. Rigsrevisionen finds this unsatisfactory. Accordingly, Rigsrevisionen believes the Ministry should consider whether the specific statutory supervision and general follow-up have been organized to enhance the employment initiatives run by local authority job centres.

This overall assessment is based on the following:

**Job centres do not ensure that social assistance recipients are offered the employment initiatives they are entitled to. Major differences exist in the degree to which job centres meet the requirements.**

- In the vast majority of cases, when unemployed persons approach the local authority to apply for social assistance benefits, the job centres determine whether they are fit for work by assessing their employment potential and match-categorizing them.
- The examination showed that it is unclear whether the job centres hold CV interviews on time during the first month with social assistance recipients who are fit for work. Rigsrevisionen considers it positive that in future, the Ministry of Employment will require job centres to register and report CV interviews to measure timeliness in the same manner as for other benefit claimants.
- According to jobindsats.dk, the Ministry of Employment's statistics portal, one in every five social assistance recipients is not offered a job interview every three months as required by law. Major differences exist from one job centre to another as to the number of unemployed not offered an interview on time. Although some uncertainty attaches to calculating timeliness, Rigsrevisionen considers job centre timeliness to be too low.

- The job centres are not providing sufficient evidence of the steps taken to ensure that social assistance recipients who are fit for work have applied for and are ordered to apply for at least two specific jobs since their last job interview at the job centre.
- The examination has shown that according to jobindsats.dk, more than one in every three social assistance recipients are not offered timely activation. Major differences exist from one job centre to another in the number of unemployed persons receiving an activation offer on time. Although the statistics are subject to some uncertainty, Rigsrevisionen considers job centre timeliness to be too low.
- Job centres may exempt unemployed persons from activation. The examination has shown that the share of exempted persons fluctuates significantly from one job centre to another. The local authorities and the Ministry of Employment do not calculate the number of exempted persons. Rigsrevisionen finds that the job centre practice of exempting social assistance recipients from activation should be subject to further investigation. The Ministry agrees in this.
- Local authorities forfeit the right to reimbursement if job centres fail to offer timely activation to social assistance recipients. The examination has shown that some local authorities apply for reimbursement for periods during which a social assistance recipient has not been activated on time, that is, they receive reimbursements to which they are not entitled. Rigsrevisionen considers it satisfactory that in April 2009, the Ministry of Employment impressed the rules on the local authorities and finds that the Ministry should follow up on local authority practice in the area.

**Job centres do not always investigate and assess whether recipients of social assistance benefits who are fit for work are available for work.**

- Job centres do not always receive reports on unemployed persons' absence, etc., from activation offers, nor do they prepare statistics on sickness notices. In view of this, Rigsrevisionen finds that the job centres do not possess the necessary basis for evaluating whether unemployed persons are available for work.
- The examination has shown that the number of availability assessments carried out by job centres varies significantly. In most cases, the availability assessments are based on a negative event, for example, the unemployed person's absence from interviews and activation, and to a less extent on the failure to apply for jobs and repeated sick notes.
- In future, all job centres must report events that lead to availability assessments. On the basis of the upcoming availability statistics, Rigsrevisionen finds that both the Ministry of Employment and the local authorities should investigate more closely whether some job centres are making too few availability assessments and whether availability assessments in connection with, for example, the unemployed person's failure to apply for jobs and repeated sick notes are underrepresented.

**The local authorities are administering the 300-hour rule for married couples claiming social assistance benefit in accordance with the law. The complexity of the rule means that the case processing involved is substantial and may take several years.**

- The local authorities identify married couples that are comprised by the 300-hour rule, as they are required to, and follow each spouse for a long period of time. In many cases, this period is extended because the discontinuation date for social assistance benefits is postponed.
- The examination has shown that the rule places heavy demands on local authority administration, in part because the job centre and the office handling social assistance payments have to continually exchange certain details about individual spouses.
- The local authorities give notice on time to the spouses affected and consult those who stand to lose their social assistance benefit. The examination has shown that most local authorities subjects cases that lead to discontinuation of social assistance benefits to careful quality assurance.
- Rigsrevisionen notes that the local authorities fail to prepare statistics on spouses whose social assistance benefits have been discontinued, have become employed or found employment before their benefits were discontinued. The Ministry of Employment has conducted two studies of the 300-hour rule. Rigsrevisionen finds that the Ministry should continue to conduct such studies in future.

**The Ministry of Employment carries out special statutory supervision of a limited number of local authority employment initiatives. The supervision is performed according to the rules and shows that job centre performance is not satisfactory.**

- The examination has shown that the National Directorate of Labour, a unit under the Ministry of Employment, carries out two statutory inspections of the local authorities as prescribed by the rules. One inspection examines job-centre interviews in terms of timeliness, assessment of the unemployed person's employment potential and match-categorization, and the other local authority decisions regarding the availability, etc., of social assistance recipients who are fit for work.
- The job interview and availability inspections identified a large number of errors in local authority administration of both areas. The Directorate generally considers the results to be unsatisfactory.
- In autumn 2008, the National Directorate of Labour launched a special initiative to follow up on local authorities with unacceptable inspection results. Rigsrevisionen considers ongoing dialogue with the local authorities and the Directorate on the inspection results important, particularly those relating to job interviews, where many local authorities have recorded unacceptable results.
- Through its job-interview and availability inspections, the Ministry of Employment carries out special supervision of a limited number of local authority employment initiatives. The outcome of the supervision may have consequences for individual local authorities in relation to reimbursements.

- In addition to the job interview and availability inspections, the Ministry of Employment follows up more generally on local authority employment initiatives. This follow-up is based on dialogue between the employment regions and the local authorities regarding the results published on [jobindsats.dk](http://jobindsats.dk). The results have no consequences for the reimbursements made to local authorities.