



Extract from the report to the
Public Accounts Committee on
case-processing times in the
Danish State Administrations

June
2014

revision
revision

revision

1. Introduction and conclusion

1.1. Purpose and main conclusion

1. This report is about the reorganisation of the Danish State Administrations implemented by the Ministry of Economic Affairs and the Interior and the Ministry of Children, Gender Equality, Integration and Social Affairs (the Ministry of Social Affairs). The report is focused on changes in case processing times following the reorganisation. Rigsrevisionen initiated the study in January 2014.

With effect from 1 July 2013, the regional state administrations were reorganised and the appeals structure concerning social security and employment benefits was reformed. The reform entailed transfer of appeals from the state administrations under the Ministry of Economic Affairs and the Interior to the Social Appeals Board under the Ministry of Social Affairs. The regional state administrations retained responsibility for family cases (separation and divorce), but were merged into one national state administration body. The purpose of the reorganisation and reform is – among other things – to enhance the general quality of case processing, reduce case processing times and ensure more consistency of practice in the assessment of comparable cases. The reform is to be fully implemented by the end of 2016.

This report follows up on report no 2/2002 on the productivity and efficiency of the Danish state counties. It was elaborated in continuation of the most recent memorandum on the issue that was submitted to the Public Accounts Committee in October 2011. Rigsrevisionen concludes in this report that the case concerning the productivity and efficiency of the state administrations can be closed.

The purpose of the examination is to assess whether the reorganisation of the state administrations has had an impact on case processing times for family cases and appeals relating to social and employment benefits. The report answers the following questions:

- Has the Ministry of Economic Affairs and the Interior prepared the reorganisation of the state administrations in a satisfactory manner and with due consideration of case processing times for family cases?
- Has the Ministry of Economic Affairs and the Interior and the Ministry of Social Affairs prepared the transfer of appeals concerning social and employment benefits in a satisfactory manner and with due consideration of case processing times?

*If a citizen's claim for social or employment benefits like, for instance, early retirement benefits or welfare payments is denied, the citizen can **appeal** the decision and ask for a review of his or her case.*

***Family cases** usually concern separation/divorce involving minor children and requires clarification of issues concerning the children's permanent address, custody, visitation and child support.*

*A **state county** was an independent regional body with responsibility for the administration of legislation relating to specific ministries like, for instance, the Ministry of Justice and the Ministry of Social Affairs. There were 14 state counties in Denmark including the Prefecture of Copenhagen. The state counties were abolished in connection with the municipal reform in 2007.*

Performance targets are defined by the ministry responsible for the relevant area and the Ministry of Economic Affairs and the Interior. Performance targets should be concrete, measurable and be reflected in the annual report of the government body.

MAIN CONCLUSION

It is important that citizens who wish to appeal a decision made by a regional state administration receive a decision within a reasonable time frame. Rigsrevisionen's study shows that case processing times for appeals concerning claims for social and employment benefits are increasing significantly. Case processing times were increasing when this area belonged under the Ministry of Economic Affairs and the Interior and have increased further since its transfer to the Social Appeals Board under the Ministry of Social Affairs on 1 July 2013.

Good principles of administration should be applied to case processing times and performance targets for case processing times should be set at a level that is perceived as acceptable by the citizens. Case processing times can be critical for a family's financial situation and welfare if the appeal concerns the maintenance of the family.

The Ministry of Economic Affairs and the Interior and the state counties/state administrations have in the years 2004 to 2013 worked towards an average general appeals processing time of 13 weeks for social and employment benefits appeals. When appeals were transferred from the regional state administrations to the Social Appeals Board, the average case processing time was 28.3 weeks for social benefits appeals and 24.7 weeks for employment benefits appeals. The effort made by the Ministry of Economic Affairs and the Interior to reduce case processing times immediately prior to the implementation of the reform led to only a marginal drop in the number of pending cases.

The Social Appeals Board's estimate from the end of March 2014 showed that average case processing times had increased to 34.4 weeks for cases relating to employment law, 36.4 weeks for cases relating to legislation concerning children and families and 42.7 weeks for cases belonging under the Social Services Act. The board's estimate reflects average processing times and the citizens will therefore, in practice, experience both shorter and longer case processing times. The number of appeals that are 12 months old or more has increased from 1 per cent in July 2013 to just under 7 per cent in March 2014.

Rigsrevisionen has established that the Ministry of Economic Affairs and the Interior and the Ministry of Social Affairs – in connection with the reform – has implemented various relevant initiatives to reduce case processing times, including recruitment of labour and distribution of tasks between offices and administrative units. However, these initiatives have not sufficed to prevent an increase in case processing times. Rigsrevisionen finds the increase in appeals case processing times, both before and after the reform, unacceptable.

The Ministry of Social Affairs has inserted a performance target for case processing times in the Social Appeals Board's performance contract for 2014 of 26 weeks, decreasing to 19 weeks by 2016. The 26 weeks target set for 2014 is considerably longer than the prospects of 13 weeks that the Ministry of Economic Affairs and the Interior has held out to the Public Accounts Committee earlier, as is the average processing time of maximum 19 weeks in 2016. 19 weeks is – in the opinion of Rigsrevisionen – a very long time to wait for a decision – in particular for citizens whose financial circumstances depend on the board's decision.

In family cases the citizens' own actions may have considerable impact on the case processing times; if the parents, for instance, disagree on the terms of their divorce and the State Administration has to find a solution that provides for the welfare of the child. The Ministry of Economic Affairs and the Interior has therefore in cooperation with the Ministry of Social Affairs, which is responsible for family cases, defined targets for the processing of specific types of family cases. Rigsrevisionen recommends that the Ministry of Economic Affairs and the Interior should cooperate with the Ministry of Social Affairs and the State Administration on developing new performance targets that take into consideration management requirements and the citizens' perception of the State Administration's performance.

Case processing of both appeals and some of the family cases is affected by the reorganisation of the state administrations and the reform of the appeals system. Rigsrevisionen emphasizes that it is too early to assess the final effects, since the reorganisation and reform will not be fully implemented before the end of 2016. Rigsrevisionen can, however, already now establish that the reform has had and will have considerable negative consequences for the citizens due to the significant increase in the appeals processing times. This is not considered satisfactory by Rigsrevisionen.