

Danish municipalities

Keeping a balanced budget.

MANAGE THE FINANCES OF SOCIAL SERVICES PRECISELY

Ultimately it is about the individual citizen. Which services does he or she receive? What do they cost? Are they of any help? This information makes it possible to manage finances, keep a budget and help citizens in the best possible way within the financial framework.

AS2007 started off as a solution for settlement of social services in and between municipalities. Today it has become much more than that. AS2007 provides a financial overview, a possibility of budget follow-up and a basis for statistics and management information.

The municipality of Odense in Denmark is among the 21 municipalities that use AS2007. All costs in the area of socially marginalized children and young people are entered into AS2007. Helle Damgaard Pedersen, a financial consultant in the Children and Family Department sums up the result of AS2007 as “We keep the budget.”

This result is far from being only about finances. It is also about the fact that AS2007 contributes to providing an overview of costs and efforts — both the realized and the disposed. It provides information that enables making decisions and prioritizations that ensure that the budget is kept. As in many other municipalities, the management gets its information from AS2007. This includes information about the number of children placed in care and the cost. It also provides information about issues with a special political focus, for example, how soon to intervene and how close to their original homes the children are placed. The information is also used to set target figures, such as the requested number of foster parents rather than 24-hour care centers.

In the operating department, four functional managers receive an overview of the ongoing activities in the district every month. Most importantly, the individual social worker receives regular reports with case overviews and costs. “It provides transparency, overview and learning and thus a possibility of professional prioritization,” says Pedersen.

AS2007 HAS CRACKED THE CREDIT CURVE

The municipality of Horsens has similar ambitions. “In the long term, we can use the information from AS2007 to make a ‘tool box’ for the social workers so that they know they keep within the financial framework when they combine the services based on this ‘tool box’” says Søren Grotkær, Finance Director and Head of Administration. He uses AS2007 for financial management.

CASE STUDY

GOVERNMENT

State and local government

“AS2007 provides transparency, overview, learning and thus a possibility of professional prioritization.”

Helle Damgaard Pedersen, Financial Consultant, Municipality of Odense

“It has cracked the curve. The costs of specialized social services are decreasing.”

Søren Grotkær, Finance Director and Head of Administration, Municipality of Horsens

“AS2007 provides a holistic effort.”

Dennis Østerdal Nielsen, Financial Consultant, Municipality of Holstebro

“It is the important knowledge about activities and costs which is brought down to a personal level.”

Antonio Barahona, Team Leader, Finance and Controlling, Municipality of Herning

“It has cracked the curve. The costs of specialized social services are decreasing. We make continuous budget follow-up based on our budget assumptions so that we can immediately see if something goes wrong. We have different levels of accessibility in different departments in the municipality. And the precise reporting has changed the conversations in the committee. Previously the politicians might grant an extra DKK10 million for snow removal. The snow had to be removed anyway but it was difficult for them to understand why we could not simply put some citizens on the waiting list even though they had a right to the services according to the Consolidation Act on Social Services,” says Søren Grotkær.

PROVIDES A HOLISTIC EFFORT

Regarding budget follow-up, Søren Grotkær is enthusiastic about the AS2007 invoice module which CGI has developed in collaboration with the municipalities that are members of the AS2007 user club. When an invoice is received, it is transferred to AS2007 where the user can soon see if it is consistent with the purchase order. If that is the case it will be paid. If there is no consistency, it is up to the user to find out whether it is a wrong invoice or a wrong purchase order.

“One of our employees has just retired. She carried out almost only that task,” Søren Grotkær observes. Dennis Østerdal Nielsen, financial consultant in the municipality of Holstebro, can see efficiency improvement in the administration. The invoice module has eliminated a manual reconciliation in Excel. He also takes a citizen approach to the AS2007 of the municipality where all services within social services are registered so that you get a valid database. “It provides a holistic effort. When we have the total overview of the services it is also easier for us to follow up and ensure that the citizens have the right services,” says Nielsen.

BUDGETING TWO YEARS AHEAD WITH AS2007

In the municipality of Herning, Antonio Barahona, team leader in Finance and Controlling, describes additional ways to use AS2007. “We use the system, among other things, to work out 12 month forecasts and qualify the budget follow-up. We also use AS2007 to budget two years ahead. We have also made great savings in social services for the handicapped where we had to find DKK1 million on referrals.” AS2007 was used for documenting the effort. All changes are entered into the system and used in financial reporting.

The municipality of Herning also uses the invoice module which integrates AS2007 with the financial system. Antonio Barahona emphasizes how easy it is to integrate AS2007 with professional systems. For instance AS2007 automatically receives personal data from Rambøll EKJ. He is not in doubt about the greatest strength of AS2007 apart from it being an efficient settlement tool for social services. “It is the important knowledge about activities and costs which is brought down to a personal level. This is the way the wind blows – just listen to LGDK (Local Government Denmark),” Antonio Barahona says.

AS2007 ADVANTAGES

- Central management of settlement
- Decentralisation of data loading
- Strategic knowledge in billing data
- Possibility of reporting via web
- Glance at an individual level
- High flexibility and easy export of data
- Logical data structure and intuitive user interface
- Eliminates most manual processes
- Can be used as a tool in planning budgets
- Part of a Service Oriented Architecture
- Provides functions to other IT systems (offered as web services)
- Complies with the principles of interoperability, security, openness, flexibility and scalability.

For more information, please contact us at government@cgi.com

Founded in 1976, CGI is a global IT and business process services provider delivering high-quality business consulting, systems integration and outsourcing services.

The project referenced in this case study was delivered by Logica, which CGI acquired in August 2012.