FEASIBILITY STUDY
Primary Computer System
2006 - 2008

Department of Social Services
Ministry of Health and Social Services
Government of the Faroes
This Feasibility Study has been commissioned in connection with the design and implementation of a primary computer system for the Department of Social Services under the Ministry of Health and Social Services, Government of the Faroes. This Feasibility Study, together with the Requirement Specifications (Schedule 4) and other documentation, forms the basis of the project proposal to be submitted to the Faroese Parliament in support of proposed appropriation legislation for the design, development and implementation of the computer system.

Please confer the Terms of Reference (Schedule 5, not attached).
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Introduction

A new primary computer system for the Department of Social Services is being developed, grounded on the principles articulated in Vision 2015, which calls for concerted efforts to digitalize the public administration so that Faroese citizens can conduct all their business with the government authorities electronically.

The Department of Social Services wishes to emphasize that the department’s new computer system, in addition to being a customer-service focused system, at the same time is a superior, user-friendly platform for information dissemination by the government authorities as a whole.

Such a platform supports a more effective administrative and democratic process, wherein the political debate and the subsequent decisions taken are based on knowledge that is detailed, comprehensive and up-to-date.

The chief objectives of the new computer system of the Department of Social Services are, *inter alia*, that:

- All conditions of importance concerning social politics shall be registered and that all registered items shall be handled with regards to describing certain socio-political conditions
- It will become the most important source of information within the public sector for the Parliament’s budgetary work.
- It can be used to conduct simulations, prognoses and detailed analyses of activities within the public sector.
- It shall provide the opportunity for interactive functionality among the various computer systems within the public sector.
- It will provide information about and measure the work of the Department of Social Services and thus provide the potential for better oversight of the running costs of the Department.

This computer system shall afford the government and the political leadership a tool that will enable them to take quality, well-grounded decisions, based on accurate and timely information and knowledge about actual conditions.

This computer system also makes it possible to implement a more systematic public policy, which is based both on experience and on detailed and reliable depictions of future scenarios and trends. The political decision-making bodies thus can be prepared for future public policy challenges with regard to both concrete public issues and fiscal appropriations.

The system is also designed to help predict the consequences of amending legislation and to provide better insight and competence in the organization and re-organization of the public authorities.

At the same time, the Department of Social Services will be able to stay abreast of the trends or forthcoming issues within the public sector that could be of public or political interest or that could require a political decision.

Moreover, the computer system is designed to make the Department the leading knowledge base with regard to research within the public sector. The Department shall be able to provide a range of comprehensive statistical information, consistent with the requisite statistical data available in other countries around the North Atlantic in order to provide a valid basis for comparison.
Based on the principles of, *inter alia*, comprehensive automation, self-service, and digital data transmission and interfacing with third-party systems, the new and innovative primary computer system will make the Department of Social Services substantially more efficient, both with regard to internal administration and interfacing with the Department’s clients.

The main objectives in this connection are, *inter alia*:

- Automate as much as possible current manual data entry.
- Utilize available human resources and operational budget appropriation of the Department more effectively
- Strengthen key administrative resources
- Establish other key functions, e.g. systematic collection of statistical data, scenario modelling and participation in research
- Ensure that the legal rights of individual clients are respected
- Strengthen the effective delivery of social welfare advisory and counselling services both to the public in general and to individual clients
- Handling of individual cases shall be consistent, faster, accurate and less expensive
- Organization and utilization of client data based on relevant need
- Enhance job satisfaction and competence within the Department

The new primary computer system will provide the employees of the Department of Social Services with the same digital work environment – currently there are eight different systems. Thus, it will become easier to perform one’s tasks.

At the same time, the system will support all of the caseload processing via, e.g., automatic data collection and calculations, recycling of data, complete summary of case activity, and form wizards. This computer system will be an effective tool to ensure the accurate and expeditious handling of all cases. He main system will contribute to securing a more correct and faster casework. This system will also facilitate enhanced competence and job satisfaction among Department employees.

In all aspects, this new primary computer system of the Department is ambitious and visionary. The system is a strategic investment in enhanced public service and will facilitate enhanced public policy debate in the future. It is vital that this computer system be implemented.
1. Summary

This feasibility study describes the proposal for a new main computer system for the Department of Social Services. The intent is to develop a complete integrated system that shall encompass all of the core activities of the Department and that shall provide the conditions for a more effective administration of the Department.

The proposed system is not just an administrative tool of the Department, but also will enable the Department's clients and other government agencies and institutions to handle various tasks themselves via self-service portals, in addition to the system being networked with other computer systems to facilitate electronic data transfer.

Section 2 briefly describes the administrative section of the Department. The Department administers a considerable number of public benefit programmes pursuant to various social welfare legislation. Moreover, the Department oversees several agencies and institutions accountable for social welfare benefits and various programmes for children with a total budget, including operational expenses, of some DKK 900 million.

The process of developing the IT system of the Department over the last few years, is also described, and why the Parliament has requested the Department to carry out this feasibility study. The hope of the Parliament is that, inter alia, a comprehensive project plan could be drafted for the IT system needs of the Department. In the comments to the appropriation bill for this feasibility study, it is stated that the secure computer system to be developed shall manage all the social benefits administered by the Department, and shall also be able to provide the public administration and the political authorities necessary statistical data.

Further, the chief aspects of the Terms of Reference are briefly discussed, which form the foundation for the work on this feasibility study, the procedural process governing the study and most especially matters related to security. The Terms of Reference refer specifically to Vision 2015, which maintains that the government has the important task of encouraging the adoption of information and communications technology. One of the goals is to steadily digitize government administration, so that individuals and companies could accomplish their business with the government electronically, and, in this regard, that everyone in the Faroes could obtain a digital signature. What is proposed in this feasibility study on a new computer system for the Department of Social Services is grounded on and supports all these goals.

Section 3 provides a general overview of the main functionality of the entire system. The system is based upon a vision of a significantly different Social Services Department than we otherwise know today. This vision is possible to achieve because of the administrative efficiency realised as a result of the deployment of the new computer system. The aim is to automate most of the data entry and actions that are currently handled manually by Department staff. In the coming years, the Department, however, will not merely administer social welfare benefits, but will more and more focus on knowledge and the management and dissemination of that knowledge. As a depository of knowledge and a centre of excellence, the Department will gather and process information and data stemming from its activities, i.e. data that is gathered in connection with case management, as well as other internal and external data and information, will be utilized to inform Department management, assist in the drafting of projections, analyses and research within the public sector, etc.

Knowledge and knowledge processing as well as heightened efficiency make it possible to provide the Department's clients better and more comprehensive professional service. The Department will also be able to maintain the necessary oversight regarding its activities and results, and the Department can, to a greater extent than presently, assess all the benefit
distributions and ensure that they meet the required quality and service standards. Oversight and allocation of expenses and resources will also improve.

As a complete system for all of the functions of the Department, the computer system shall be accessible to all users, i.e. in addition to the staff of the Department and the institutions administered by the Department, the system shall also be accessible by clients, employers and the various agencies collaborating with the Department. All users will access the system via a single portal that will unequivocally identify the user, administer individual access rights and facilitate management of caseloads.

The fundamental concept underpinning the computer system is based upon these guiding principles:

- Unified system, i.e. all users have joint access to the computer system and will be identified in the same way, and all the functions of the system and underlying special modules will be accessed via a common standard protocol.

- Process oriented, i.e. the user will be able to carry out all the functions from start to finish without having to access other systems for information or supporting functions.

- Self-service, i.e. the main computer system will be open to all end users based on their individual application needs within the Department.

- Reuse of data from other databases, i.e. other databases can be accessed and data extracted via direct interface with the main computer system of the Department and other databases.

- Reuse of data available on other public computer systems, i.e. other public computer systems can be accessed and the Department shall preserve and protect the confidentiality of the data stored in these computer systems.

- Transparency, i.e. all end users will be able to access and where practicable administer the data relevant to them.

- Flexibility, i.e. the main computer system shall be able to be upgraded or enhanced consistent with changing circumstances for the most part by making changes in the system data so that the need for special programming of the main computer system is kept to a minimum.

A portal system will keep track of all the users and the rights of the users. The portal system will also contain an overview of the workflow options. The workflow options are used to produce electronic forms and caseload management schemas for staff, for clients and for specialists. The portal is networked with a variety of supportive specialised modules designed to handle special transactions relative to overall case management. These modules include:

- Customer relationship management (CRM) module, which affords a total overview of the client caseload.
- Advisory module, which affords a total overview of all the relevant legislation, regulations and directives.
- Case registry and case management module, which is used to document actions taken in all cases wherein an evaluation or determination is part of the handling of a case.
- Benefits module, which affords an overview of all the various types of benefits, and all the entitlements and reimbursements available to clients and administered by the Department.
• Payment module, which is interfaced with the payment system of the exchequer and which affords an overview of all disbursements.
• Creditor module, which provides an overview of all creditors.
• Debtor module, which is linked to the assessment and bookkeeping system of the Tax Authorities and the central bookkeeping system of the exchequer and which provides a total overview of all third party invoices.
• Client credit module, which is an access portal for clients that is similar to a home banking portal.
• Statistics module, which is a data warehouse and is used to generate standard and ad hoc reports and for simulation modelling.
• Module to manage interfacing with all third party computer systems (essentially all electronic data interchange).

The computer system revolves around the core functionalities available on the portal: the activity log, case management, calculation of benefits, and payments. All case management is conducted via this portal. The key functions cover case management, which is controlled by an electronic workflow process. Case management is supported by direct access to various registers that supply stem data and rate data for case management. Several of these registers can be updated via direct EDI from outside collaboration agencies or institutions.

All aspects of the key functionality and the electronic workflow design will be reviewed in Section 3.

Section 4 describes in more detail the various aspects of the main computer system as referenced above and the linkages among them. A brief discussion of some of these elements is presented here.

The portal is a web-interface with underlying modules that enables the user and staff to gain access to advisory information, the various IT systems and other IT services, and which makes self-service possible. Self-service via the portal specifically refers to the following:

• Clients can fill out electronic forms and submit their applications online.
• Employers can complete income documentation in connection with daily maintenance allowance and working conditions in connection with protected employment and rehabilitation.
• Doctors can send medical certificates electronically.
• All communications between the municipalities and Department of Social Services can take place via the portal.
• Clients can gain access to the information maintained in their own journal / client record.

Client access and access by other third parties will be governed by need to know, which will depend on the purpose for contacting the Department. All electronic communication between clients and the computer system will be authenticated by digital signature. Essentially, access via the portal varies according to the end user.

The client log or record and the case management modules shall be supportive systems for the benefits module. Tasks are divided between normal log activity that could be handled manually by each caseworker and finance-related tasks that are managed and controlled electronically within the benefits module. Generally, it will only be necessary to create a case file for actual cases requiring active management. In situations involving questions of case management that could be validated electronically, the benefits module could be accessed directly. For the most part, this relates to general questions about daily maintenance allowance, child assistance, or retirement pension that are not so unusual that they require
specific handling. In other cases, in which the information cannot be provided automatically via the benefits module, the client log or case management module would be used.

The benefits system is sub-divided into the benefit allocation system, which manages the calculation and allocation of benefits, and the payment system, which regularly generates payments and client reimbursements according to an established set of rules.

The study provides an extensive discussion about the logic underpinning the benefit calculation system reference to the different benefits available (e.g. daily maintenance allowance, pension, welfare assistance, etc.). This provides an overview of the content and the logic behind the calculations. All data generated by the benefits calculations will be treated in same manner, regardless of the type of benefit. What this means in principle is that the same general program can be used for all types of tasks after the specific calculations are accomplished.

Payment flow is also described from the time the user actions a payment until the payment are transferred and booked by the FSL payment and accounting system (National Finance Office). In the solution described, data will be transferred via files that subsequently can be fed into exchequer computer system. For the Department, the best solution is for direct linkage among the various computer systems. As a consequence, this has opened up the option for validation of the data before it is transferred to the FSL systems.

The creditor module for client creditors functions as a kind of home banking service for clients, where it is possible to initiate routine transfers and to establish, amend or cancel automatic transfers owed to the clients, and for which the Department pays. In connection with departmental administration and / or case management, the Department provides payment for documents, equipment and services provided by doctors, dentists, specialists, healthcare providers, and healthcare centres, public institutions, companies, municipalities and employers.

This part of the computer system will also distinguish between cases requiring payments that do not require considerable case management, and those cases that do. System functionality should therefore be arranged accordingly.

The debtor system is connected via an interface with the receivables collection system and the bookkeeping system of the Customs and Tax Authorities. The Department of Social Services creates and administers the various claims and payment deadlines, whilst the Custom and Tax Authorities collects the outstanding claims and sends information back to Department's computer system regarding payments, arrears and collection efforts, etc. Outstanding claims of the Department are registered in the debtor system and payments are booked and the data in the system is updated daily.

In some cases, payment claims are generated automatically, e.g. in connection with the payment of child assistance and the daily maintenance allowance. Other claims can be claimed for insurance premium for the self required maintenance allowance system, pay back agreements e.g. in connection with invalidity loans, regular pay back duty of public assistance and pay back for payment of foreign pensions.
The statistics system – or data warehouse – is based on case management data, which are kept in one or several databases, but it is also necessary to link external data into the data warehouse. The data warehouse is thus the foundation for generating reports and statistical analyses in addition to simulations, and therefore it is a very important link in quality knowledge management, financial and legal work, research, and dissemination of public information on public issues as a whole. First and foremost, the end users of data from the data warehouse are Department management, the political authorities, researchers, the media, and the general public, etc.

The modules linking the database registers and computer systems of third parties, e.g. the tax authorities, the national pharmacy, the national registry, the exchequer, and the unemployment office, should be designed to minimise the effort required for active case management. The modules should ensure that the necessary and correct information is automatically transferred into the Department's computer system in order to reduce the workload associated with case management. Operations should be handled electronically and preferably online via a web interface. Detailed explanations of the data interface the Department has with other computer systems and databases and how the network and data interchange should take place will be provided.

Section 5 deals with choosing the different computer system options and operations. Moreover, a risk analysis has been done and a proposed project plan laid out for the design and development of the new computer system.

Two computer system possibilities are especially highlighted that best meet the overall requirements for the main computer system. One option is to develop a totally new main system that is based, as much as possible, on standardised systems and standard modules. The other possibility is to expand upon a finished system that is in use and is being continuously enhanced, and that has been developed especially for the administration of the Department of Social Services and the public services it provides.

The advantages of these two options are that the systems are working and well tried, as well as being technically and functionally advanced. The programmers are highly competent developers who ensure continuous augmentation and upgrading of the system, which also is fully integrated.

The operational environment in itself has little if any impact on the actual use of the various technical modules, but does have major importance with regard to the overall Department IT administration. It is thus recommended that a total operational solution be arranged that includes a specific service level agreement between the outside providers and the Department. This agreement would cover, inter alia, development and hosting of the computer system, provision and maintenance of the infrastructure, on-going development of the infrastructure and the computer system and security.

In order to limit undue dependence on a specific provider, and to ensure that the overall responsibility for the data remains with the Department, and that the necessary competence is available within the Department to facilitate on-going collaboration with outside providers, it is very important that the administration and effective use of the computer system, as much as possible, remains on site at the Department. Administration of the computer system, in this context, means end user administration, oversight of the various databases, training of users, application of the statistical data in the system, participation in and overall control of development and enhancement of the computer system and security.

This kind of solution requires that the Department of Social Services maintain a high level of in-house IT competence in order to fully utilise and benefit from all the modules within the new computer system.

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Section 5 also presents a proposal on how to best organise and implement this on-going project. It is extremely important that the various elements of the project plan and all its development phases are controlled and grounded from within the Department. It is estimated that the total development time for the new computer system is three years.

The risk assessment briefly describes two risks that could be expected to impact the work process of such a new IT project, which have been described in this feasibility study. The sheer size and the many specifications contemplated for this new computer system, it is believed, mandates that the system be developed by a strong, experienced provider who would have overall development responsibility.

In a previous study, no concrete cost estimates were developed. The study was drafted by others and not the IT work group, which is responsible for this feasibility study.

Lastly, in Section 5, there is a proposed bill on the purchase of a main computer system for the Faroese social services organisation. The proposed bill is a project bill, the term of which is three fiscal years.

The feasibility study, which describes the overall requirements for the computer system, is based on the detailed specifications requirements, which is attached as Schedule 4.
2. The Department of Social Services – a brief description

This section briefly describes the Department of Social Services and its activities. Moreover, there is an abbreviated discussion of the work behind the development of the current computer system, including the expansion plans implemented in recent years.

Firstly, however, the two main sections of the Terms of Reference, which are the basis for this Feasibility Study, will be described. The complete Terms of Reference is attached to this Feasibility Study as Schedule 5.

2.1. Main Sections of the Terms of Reference

In the introduction to the Terms of Reference references are made the government's Vision 2015 strategy. One of the foundation stones of Vision 2015 is information and communications technology, where it is acknowledged that the use of information and communications technology in a society has great importance for productivity within a society and thus also for its economic growth. The government, therefore, plays an important role in encouraging the adoption and use of information and communications technology.

In this connection, reference is made to the concrete strategy to ensure 1) that the penetration of broadband in the Faroes by year-end 2008 shall be within the top five in the OCED, 2) that the administrative activities of the public authorities be systematically digitized, 3) that Faroese citizens and companies could electronically manage their enquiries and business with the government, 4) that all Faroese people in 2006 should have the opportunity to acquire a digital signature, and 5) that at least 30 % of all Faroese people should have obtained their digital signatures by year-end 2007.

As a consequence, special emphasis has been placed on ensuring that the planned up-dating of the computer system of the Department of Social Services is grounded on and supports all these goals.

The Terms of Reference mentions the need to upgrade the current computer system because, inter alia, the computer system is incomplete in that a part of the casework cannot be carried out within the central computer system. This delays caseload processing and makes it difficult to meet administrative standards, which, among other things, are stipulated in the regulation on IT-security. Currently, it is difficult to incorporate new activities, to produce statistical data, and to conduct extrapolation scenarios based on possible legislative amendments.

The Terms of Reference, as a main condition, state that the upgrading of the current computer system shall not compromise the decentralisation of the administration. On the contrary, the focus, regardless of who carries out the administrative action, or where it is carried out, the action taken must be within the framework of a central system that ensures uniformity with regard to competences applied, functionality and basic data. Administrative decentralisation shall be facilitated by the management of decentralised users via a common, centralised computer system.

However, the upgrading of the computer IT system shall be conducted in such a manner that the management of the Department of Social Services shall have full administrator access to the system and that all enhancements to the system first and foremost shall consider the needs of the Department.
The Terms of Reference also describe the core requirements of the Department of Social Services and the requirements for some of the individuals and public authorities that routinely communicate with the Department. Some of these requirements are:

Core requirements for clients
Accurate case management, good information dissemination options, faster service and the possibility of self-service.

Core requirements for employees
Support current procedures, easy access to help guides, ability to influence development of the computer IT system.

Core requirements for Department management
Options for internal surveillance and measurement of productivity. Options to obtain useful statistical data and conduct strategic simulations. Potential to conduct analyses and projections as part of budget preparations. The system shall be flexible and easily adjusted to reflect amendments in social services legislation or the addition of new services.

Core requirements for the Ministry of Health and Social Services and the political authorities
The computer system must provide information for management of the public sector, e.g. administration, budget, analyses and collection of statistics. As much as possible, the computer system shall be co-ordinated with and shall interface with the other systems of the Ministry of Health and Social Services.

Moreover, the Terms of Reference stipulate the requirements for external institutions and agencies, i.e. municipalities, the exchequer, the office of the Auditor-General, the Customs and Tax Authorities, Statistics Faroes, and for providers of information in general.

The main computer system
The Terms of Reference emphasizes developing a main computer system for caseload management and the processing of social welfare benefits. The requirements for this computer system are, inter alia, that 1) all cases processed by the Department are managed in a consistent manner; 2) all case management, as much as possible, uses the same data; 3) information, wherever possible, is entered electronically and automatically, and 4) the same client information is used and not repeatedly collected.

Moreover, the computer system shall provide options for time and activity data logging and fiscal management. In connection with the upgrading, a stand-alone payment system shall be developed that will interface with the Customs and Tax Authorities, the exchequer, etc.

The computer system shall make it possible to carry out analyses and simulation projections. The intent is that all provision of services and case management shall be conducted via one entry portal.

Pursuant to the Terms of Reference, with regard to the design and development of a main computer system, the following are relevant factors to be considered:

1. Caseload structure and management
2. Gathering and re-use of data
3. Data validation
4. Mathematical calculations
5. Automatic updates and alarms
6. Outtakes and information to clients
7. Web-based functionality (not only for staff)
8. EDI (electronic data interchange) with collaborative agencies and institutions
9. Archiving and deleting of data
10 Administrator control
11 Classification of data with regard to requirements for security levels and other formalistic/legal requirements

With regard to the design and development of the payment system, the requirements for an interface with the exchequer (Gjaldstova) shall be stipulated.

Data centre
The Terms of Reference stipulates a requirement for a data centre that shall be used to display a satisfactory overview of the activities of the Department and that will provide a valid basis for the analyses of the activities of the Department over short and long periods of time.

Choice of IT system
The IT work group shall provide a detailed analysis of the alternatives for the IT system. In this regard, the work group should describe and compare the different cost factors, such as computer equipment, licences, hourly costs, etc., plus questions about security, data transfer, reliance on providers and other important issues. Also the question of outsourcing maintenance of the IT system must be considered, or if system oversight shall be maintained by the Department's own IT section.

Documents
The Terms of Reference stipulates that the IT work group shall summarize the results of its research, evaluations, and conclusions in the following documents:

1. General requirements
2. Requirement specifications of the main computer system
3. Use cases – system architecture and functionality
4. Project plan with milestones
5. Cost estimate
6. Critical success factors

2.2. Department of Social Services

The Department of Social Services administers most of the government social welfare benefit payment systems. Moreover, the Department offers information, counselling and guidance to the public in general and to individuals, pursuant to the regulation governing the provision of counselling and guidance consistent with the Public Assistance Act.

The Department of Social Services administers the following legislation:

- Public Assistance Act (excluding home health care, special assistance, adult support system, etc.)
- Old age pension, etc.
- Compensation for the home care of the elderly and the infirm
- Supplemental benefits to specific retirees
- Institutional care
- Child maintenance allowance for sole providers, etc.
- Daily cash benefits in connection with illness, etc.
- Assessment and assignment of social welfare benefits

At the same time, the Department administers certain provisions of the legislation governing:

- Child welfare
- Public health insurance
• Cost of medicine paid for by the national health insurance fund and recoupment of costs to the national treasury.

The Department of Social Services also administers the Convention on Social Security of 15 June 1992, which entered into force in the Faroes on 4 July 1994. The Convention encompasses pensions, daily maintenance allowances, etc. The Faroese Parliament ratified a new treaty on public social security on 20 April 2005. Moreover, the Nordic Convention on Social Security and Social Services of 14 June 1994 has been ratified in Faroes, the main focus of which is to ensure equal rights for all Nordic citizens with regard to social welfare benefits.

Given the enabling legislation referenced above, it is easy to ascertain how multi-faceted, extensive and significant the administrative responsibilities of the Department are, both from the standpoint of the individual client and the country as a whole.

Moreover, the Department processes and manages annually around 12,000 individual cases, which in total amounts to around DKK 800 million in legally mandated benefits. Thus, it is obvious that the caseload and the total benefits administered of themselves place major administrative demands on the Department. These circumstances are also reflected in the requirement specifications for the Department’s computer system.
2.3. Organisation

Diagram 1 below shows the current organisational chart of the Department of Social Services. Included in the chart are both sections that are under the Department and those agencies that are under the administrative control of the Department but have their own appropriation from the national budget.

Diagram 1: Organisation Chart of the Department of Social Services

As depicted on the right side of the diagram, the core operations of the Department are divided into four main regional offices, two special focus areas, and one benefits division.

The regional offices of Tórshavn, Eysturoy, the Northern islands, and Suduroy provide social services counselling and advice, inform on benefits rights according to the social services legislation, help in the completion of application forms, accept applications and take decisions regarding the provision of specific benefits. The regional offices are thus the main entry point for the Department's clients for the provision of benefits and services.
Upon recommendation from the regional offices, the two special divisions, the labour market division and the special needs division for children and adults, provide counselling and advice for people in need of special services due to permanent illness, disability or who need special social services intervention. The labour market division handles all cases concerning rehabilitation, protected employment for the disabled, and early retirement pensions. The special division for children and adults determines cases concerning loss of income protection for people who render care at home for children with special physical or mental handicaps or illnesses, plus cases regarding reimbursement for expenses in connection with special medical treatment.

The benefits division administers payments of all legally-mandated benefits, e.g. pensions, daily maintenance allowance for illness, children maintenance allowance, etc.

The administrative section of the Department, which refers to the administrative staff, is subdivided into the executive office, the legal section, the secretariat, the accounting section and the IT section.

The Disability Equipment Services Centre offers counselling, advice and financial assistance with regard to equipment for the disabled, special disability vehicles and housing remodelling to accommodate the disabled or individuals with other permanent disabilities as defined by the Public Assistance Act. The Disability Equipment Services Centre is an agency under the Department of Social Services with its own appropriation from the state budget.

The left side of the organisational chart shows the state child welfare agencies administrated by the Department. All of the institutions have their own appropriation from the state budget:

- The day care centre, Reirid, for multi-disabled children under the age of 18 funded pursuant to the Public Assistance Act.
- Special day care centre for children up to the age of 7, who have behavioural and attachment deficiencies funded pursuant to the Child Welfare Act.
- Føroya Barnaheim [Faroes Orphanage] is an institution providing 24-hour care. It is a private, non-profit entity, however, placement of children and young people is governed by the Child Welfare Act.
- Rókin is a 24-hour care institution for children age 7-13 funded pursuant to the Child Welfare Act.
- Slódin is a 24-hour support institution for young people age 13-18 funded pursuant to the Child Welfare Act.
- Child Assistance Programme is designed to provide financial assistance to children under the age of 18, who are in need of assistance because their parents are unemployed or must remain at home to provide home care for their parents as a consequence of long-term illness or permanent disability.

In connection with the new Child Welfare Act, a child welfare committee was created. Its secretariat is housed in the Department's secretariat and receives its own direct appropriation from the state budget.

For the entire organisation, there are some 180 full-time staff members.

2.4. Public benefit programmes

Exhibit 1 provides a short description of the various public benefit programmes administered by the Department of Social Services, including but not limited to, the daily cash maintenance programme, the social welfare programme, the public retirement pension and the early retirement pension system, as well as other programmes designed to provide financial assistance for children, child support and compensation to provide home care for the elderly
and the infirm. Information is also provided on the number of individuals who receive the various benefits. See Exhibit 1.

2.5. Financial overview 2006

The Parliamentary budget for 2006 appropriates these amounts for legally-mandated public benefits and administration of the Department of Social Services and the various agencies and institutions under the Department.

Legally-mandated expenses pursuant to the 2006 budget:

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support for daily child maintenance</td>
<td>DKK 8.2 million</td>
</tr>
<tr>
<td>Child assistance payments (net)</td>
<td>DKK 0.5 million</td>
</tr>
<tr>
<td>Subsistence allowance</td>
<td>DKK 58.4 million</td>
</tr>
<tr>
<td>Day care assistance</td>
<td>DKK 11.8 million</td>
</tr>
<tr>
<td>Social welfare benefits</td>
<td>DKK 119.4 million</td>
</tr>
<tr>
<td>Retirement pension</td>
<td>DKK 372.0 million</td>
</tr>
<tr>
<td>Early retirement pension</td>
<td>DKK 201.3 million</td>
</tr>
<tr>
<td>Supplement for certain retirees</td>
<td>DKK 19.2 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>DKK 790.8 million</strong></td>
</tr>
</tbody>
</table>

Moreover, the Department administers support benefits for welfare-related work. The appropriation for this work according to the Parliament’s 2006 budget is DKK 5.3 million.

Operational expenses for the Department and its subsidiary agencies and institutions pursuant to the 2006 budget are the following:

<table>
<thead>
<tr>
<th>Expense Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative operations</td>
<td>DKK 34.9 million</td>
</tr>
<tr>
<td>Child Welfare Committee</td>
<td>DKK 1.0 million</td>
</tr>
<tr>
<td>Disability Equipment Services Centre</td>
<td>DKK 5.3 million</td>
</tr>
<tr>
<td>Faroes Orphanage</td>
<td>DKK 7.1 million</td>
</tr>
<tr>
<td>Rókin</td>
<td>DKK 3.2 million</td>
</tr>
<tr>
<td>Slóðin</td>
<td>DKK 2.9 million</td>
</tr>
<tr>
<td>Reirið</td>
<td>DKK 2.3 million</td>
</tr>
<tr>
<td>Special day care centre</td>
<td>DKK 2.3 million</td>
</tr>
<tr>
<td>Child maintenance support</td>
<td>DKK 16.8 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>DKK 75.8 million</strong></td>
</tr>
</tbody>
</table>

2.6 Main focus areas of the Department of Social Services

Below is an overview of the main focus areas of the Department and some of the most important providers of information and services in the Faroes:

<table>
<thead>
<tr>
<th>Individual / Agency</th>
<th>Focus area / Benefits / Services</th>
<th>Clients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Social Services</td>
<td>Public welfare benefits, counselling and advice</td>
<td>all clients, general public</td>
</tr>
<tr>
<td>Parliament / Government</td>
<td>Legislation and regulations / budget</td>
<td></td>
</tr>
<tr>
<td>Ministry of Health and Social Services</td>
<td>Drafting of Legislation and promulgation of regulations / Budget development / statistics</td>
<td></td>
</tr>
<tr>
<td>Customs and Taxation Authorities</td>
<td>Data on revenue / collection services</td>
<td></td>
</tr>
<tr>
<td>National Register</td>
<td>Data on individuals in the Faroes</td>
<td></td>
</tr>
<tr>
<td>National Pharmacy Service</td>
<td>Reimbursement for medicine</td>
<td></td>
</tr>
<tr>
<td>Physicians</td>
<td>Medical certificates</td>
<td></td>
</tr>
</tbody>
</table>
2.7. **IT in the Department of Social Services**

*Background and events 2004-2006*

The current clientele system (VFS) of the Department of Social Services was developed during the period of 1998-2000, and was originally intended to be a total service system, the aim of which was to service most kinds of grants administered by the Department of Social Services.

The clientele system was, however, never completed. VFS comprises journal and casework systems and a payment system for administrating national public and early retirement pensions, whilst the administration of maintenance allowance, welfare and child welfare allowance, is only partly or not at all a part of VFS.

In September 2005, the management of the Department of Social Services, using external advisers, worked on describing future IT-system needs and demands of the Department of Social Services, and they also looked 5-10 years into the future. Then the management of the Department of Social Services and the external advisor co-operated with the above mentioned control group in composing terms of reference for the preparatory work in connection with developing a proposal on an ‘act on work project’ for an investment in IT by the Department of Social Services in the time period 2006-2008.

The terms of reference (document 5, not included) states that the purpose of the act on work project is:

- To develop a long-term IT solution designed to modernise the IT-system of the Department of Social Services. The aim of which is to improve the service given to the citizens and to create conditions for making the administration more efficient.

- Secondly, this project will contribute to making the Department of Social Services a social knowledge point in the Faroes, ensuring that the institution can undertake a more active part in relations to the political authorities, municipalities, international authorities and others with an interest in social policy matters. This is possible by, among other things, supplying the necessary statistics and counselling on social conditions in the Faroes.
2.8. Focus on IT security

The report, Report handed to the Parliament’s Audit Committee (March 2005), from the National Audit Office, points to a review of the Department of Social Services’s EDP (Electronic Data Processing) system in July 2000, the result of which was that the National Audit Office sent a report to the minister, which stated that the EDP systems of the Department of Social Services were not secure enough. The National Audit Office recommended that improvements be carried out (p. 110).

The report indicated, among other things, that some security systems were not working properly, and that approvals of the budget system were not available and that it was necessary to undergo an improvement of the VFS-system in order to meet statutory requirements.

In this new report of 2005, the National Audit Office indicates that there have been improvements in some of the areas, but that improvements still fall short in important areas, according to the recommendations of July 2000 (p. 114). The National Audit Office recommends that the Department of Social Services at once undergo an organized approach to a solution (p. 114).

The National Audit Office also indicates that the VFS-system, which was put into effect 1 January 2000, was not approved by the Ministry of Finance pursuant to Sect. 4, subsection 5 of the Accounting Regulations: Regulations no. 114 of 22 August 1996 on the accounting system of The Faroes etc.

In a letter dated 20 June 2003 on this situation, the Faroese Department of Accounting and Financial Administration states that the development of the current service system of the Department of Social Services must have started on the wrong basis, and that the system solutions would have been different, if the Department of Social Services had followed the provisions of the Accounting Regulations (p. 114).

At the same time, the National Audit Office recommends that the Ministry of Health and Social Affairs in co-operation with the Ministry of Finance/ the Faroese Department of Accounting and Financial Administration compose a EDP policy regarding the development of the local system of institutions with steering committees, including the Department of Social Services, before deciding on further development of the VFS-system (p.114).

The risk assessment of the Department of Social Services’s IT-network, carried out by the accounting firm Rasmussen & Weihe by the request of the Department of Social Services, indicates that many risks threaten the information network of the Department of Social Services, and although a large part of these risks have now been prevented, there still remain risks in the system.

It is plausible that a part of these risks don't directly concern the computer systems of the Department of Social Services, but the risk assessment indicates, among other things, "severe weaknesses in the HP3000 system (Maintenance Allowance, Child Support and Wages)", and that these weaknesses can be linked to the computers in use, computer systems, which no longer are up to date. (Letter (Reg. Risk Assessment) from Rasmussen & Weihe to The Department of Social Services dated 13 September 2005).
The report from the National Audit Office, along side the risk assessment from Rasmussen & Weihe, foremost concerns security and approval issues/questions. This alone is not reason enough to undergo developing a new IT-system for the Department of Social Services.

On the other hand, it is likely that the work of carrying out all security demands and adjusting the current systems to the stipulated statutory demands may turn out to be so expensive that these troubles partly or completely should be considered as an important part of developing a new service and information system in the Social and Security Office.

The Department of Social Services has sent an application to the Data Oversight (Dátaeftirlit) extending the deadline for making adjustments outlined in the security announcement. The application recommends that security initiatives and improvements, which require great changes and which are expensive, be included in the development of the new IT-system. This insures that the new IT-system, when put into effect, meets all necessary security requirements. However, this depends on whether the Department of Social Services will receive special financing for the IT-security work, which thus far is estimated to cost DKK 1.5 million.

2.9. Conclusion

Although the IT-security issue is not the only reason for undergoing development of a new service and information system in the Department of Social Services, the IT-security issues are important enough to drive the development of the current IT-system of the Department. Another reason for upgrading the system is the fact that IT-security requirements have been rigorously strengthened since the current system was put into effect in 2000.

It is notable that the Department of Social Services agrees with the National Audit Office concerning their report Report handed to the Parliament’s Audit Committee in March 2004, where they state that there is still a long way to go before the EDP systems of the Department of Social Services are in order.

IT-security provisions, including computer system requirements pursuant to Parliamentary Law no. 73 of 8 May 2001 on treatments of personal information with modifications and announcement no. 28 of 27 February 2003 on security in relations to treatment of personal information, should therefore be taken into account as one of the main requirements for a new service and information system in the Department of Social Services.

The political authority has acknowledged that the IT-system of the Department of Social Services should be on a secure basis and shall be able to service all social grants for which the institution is responsible. Moreover, an IT-system of the Department of Social Services shall supply institutions, public administrations and political authorities with the necessary statistics and information that are part of normal management information. The political authority has also emphasised that a future IT-system of the Department must adhere to the current provisions in place on economic systems.
It is mentioned above that some of the current IT-systems of the Department of Social Services are not up to date or at least not sufficient with regards to current needs for security, efficiency requirements and levels of service. This is in reference to the maintenance allowance system and child support.

The Department of Social Services has with its work on preparing the development of the institution's IT-system kept future requirements in mind, insuring longer-term use of the system and giving it a functionality and flexibility that correspond to those available with the current technology.

The service and information system of the Department of Social Services will be developed as a centralised system with possibilities for activity registration and finance control, including a independent debtor and creditor system. Also to be developed is a data point (data warehouse) or a statistics data base, which will present a clear view of the operations of the Department of Social Services over a longer period of time. The data-warehouse is central to the plan of making the Department of Social Services a social knowledge-point in the Faroes and insuring it becomes an important part the management of information.

A newly developed IT-system will also make it easier to meet the provisions in the administration act.

In order to make the most use of the information possibilities of a newly developed IT-system, to insure a good IT-work environment in the Department, and to have good communication with external business partners and with the clientele of the Department, the IT-system, should, as mentioned in the above terms of reference, to the greatest extent possible, become a so-called portal solution.

Documents section 2

1. Public systems
2. Consent request 2004 and the course of events up to the to supplementary grant 2005
   2.1. Report to The Finance Committee
3. The IT-group’s work
3. Main IT system – integrated service and information system

The IT work group has the vision that the Department of Social Services will, over the years, become more than just a place of servicing grants. This means that although now the emphasis is on casework and data, the institution will more and more become a centre that will emphasise knowledge and the handling of knowledge. This will characterise all the work of this institution in the future.

Knowledge and the handling of knowledge will make it possible for the institution to supply clientele and others with comprehensive counselling and information. The institution will be able to keep a close eye on operations and results. The institution will also, to a greater extent than now, be able to evaluate all grants and ensure that they meet the stipulated quality and service demands. The institution will be able to have better oversight of expenses and resources, the result of which will be that the resources will be put to the best use where they are needed and where they have the greatest effect.

As a knowledge-centre, the Department of Social Services will gather and process information in its area of activity, meaning that the data gathered in relation to casework and other internal and external data and information will be utilized in management information, forecasts, reports and research operations in the public sector.

In order to reach this goal, the Department of Social Services must have a good and up-to-date service and information system. It should be a system that services cases quickly and effectively, where an automated casework service will be used to the greatest extent possible, and where a straightforward case process, based on reasonable electronic work processes, will make the work and responsibility systems logical and efficient.

In order to create the best conditions for significant administrative efficiencies, one of the main goals of the new system is to automate most of the current manual work processes. Currently, all of the calculations for welfare are carried out manually using excel sheets, which operate outside the grant system, and all income information from the Faroese Tax and Custom Authorities is manually typed in. Self-service, workflow-systems and online connection systems to third parties are some of the areas where significant efficiencies are possible with the aid of automation.

Below are described the different sections of a modern service and information system. It is estimated that the system will modernise the work processes of the institution and supply an effective database, which will form the basis for the more knowledge-demanding work assignments of the institution.

In relation to the service and information system, a debtor and creditor system is described, along with electronic data transfer to and from clientele and suppliers etc.

Service and information system
There is need for a service and information system, which will service all kinds of grants administered by the Department of Social Services in one and the same main integrated IT system. This new system will allow all the current kind of grants
to be easily adapted to changes in current regulations, and the system will be quick to establish new kind of grants when needed. The system will be developed as an integrated whole.

The structure of the system is based on the legs: database, middleware and internet/portal.

Middleware is currently widely used for connecting and servicing relations between different kinds of IT-installations, IT-systems and different users or different kind of users/services. The connection is often based on so-called OLTP (On-Line Transaction Processing) and the term SOA (Service Oriented Architecture). The intermediary installation is currently also put to great use in system and users administration, with regards to a central IT-environment. The intermediary installation has been used as an IT-architecture/structure, due to the fact that information is currently organized beforehand with stipulated formats, e.g. XML. The service and information system of the Department of Social Services is based on the above-mentioned IT-architecture/structure.

For the employees, clients, management, specialists, divisions of the Department of Social Services and other important users, there is need for a portal-solution, where the mentioned partners have the same user screen/interface and can log on depending on their profile. The need is obvious due to the fact that all work, access to and communication with the new service and information system will be on the portal. This also means that a great part of the electronic data transfer connections will be serviced with the use of modern portal technology, depending on the communication possibilities and security provisions.

The most important part of a modern service and information system is the case-treatment and payment system, which deals with all grants and grant-types administrated by the Department of Social Services. Workflow-tools control and support both professional and administrative processes of all of the casework.

In addition other systems are mentioned such as the statistics database (data warehouse) and case and performance system. There is a debtor and creditor system to keep check on profit and payment obligations of the Department of Social Services. e.g. collections through the Faroese Customs and Tax Administration which are part of the payment section of the system handling cases and payments, and the electronic data-transfer-interface with other external suppliers of information, documents and services.

It is important that the system design takes into account accounting regulations and personal data legislation.

Table 2 below shows the main parts of the service and information system.

**Oversight of the main system**

The main system is a complete system for all the activities of the Department of Social Services. The main system will be used by all users, meaning in addition to the employees, there will also be users among clients employers and business partners e.g. the Hospital Service, the Home Care Agency, Special Welfare, the Pharmacy System and other institutions.

All users will communicate with the main system via a portal, whose purpose is to carry out:
• Unambiguous identification of users (Single sign-on).
• Administration of rights, which gives the users individual access to summaries, data and functions.
• Administration of the work processes (process management), so that the users will not have the need to know that more than one system is used to carry out a work process.

The main system will utilize data and functions from other systems. The main system can therefore be seen as a central system (middleware) between different kind of users in specified work places and several professional systems. (Please see table 2 on the next page).

Table 2: Oversight of the main system
The table is read as follows:

A user – either employees of the Department of Social Services, clientele, external specialists or management – signs into a portal system. The portal system keeps track of all the users and user rights/authorisations. In this connection, the portal system controls out data for the users, in order to insure that all data in electronic form and paper form will be presented accurately in the correct manner.

The portal system also contains a layout of the work process. This insures that all users experience a process-orientated system. The work processes are used for producing electronic forms and services for employees, for clientele and for experts.

The portal is related to a number of generic underlying professional systems, which are used for perform professional responsibilities in relation to administration. These are the main parts:

- **Clientele summary (CMR-system)** – a complete summary of clientele, including information from all other systems. This insures that a user, who has the need to see the situation and information of a client, can receive this in one and the same place. The Clientele summary will be linked to other systems, such as the Landsfólkayvirlitið (National Register).

- **Journal and casework system** – a complete journal and case processing system, which will be used for documenting all cases where assessments are a part of the casework. Case processing results in a decision, which gives birth to a grant. All cases will be processed in a uniform manner and archived.

- **Regulatory guidance system** – a complete outline of all authorizations, acts and guidelines that the public sector in the Faroes follows.

- **Grants system** – an outline of all grant types and all grants (grants vs. claims) that the Department of Social Services has responsibility for granting to clients. The system can be compared to a product generator and invoice administration in large ERP systems.

- **Payment system** – a complete summary of all the payments from the Department of Social Services via the Faroese Department of Accounting and Financial Administration. The system is linked to the payment system of the Faroese Department of Accounting and Financial Administration.

- **Debtor system** – a complete summary of all debtor claims, which the Department of Social Services has to third parties. The debtor–system will be linked to the collection of debts and bookkeeping system of the Faroese Customs and Tax Authorities as well as the main bookkeeping system of the Faroese Department of Accounting and Financial Administration.

- **Creditor system** – a complete summary of all creditors to whom the Department owes money.

- **Equipment loan and depository system** – the administrative system of the medical equipment centre (Hjálpartólamiðstøðin - HTM). Used for administering storage and lending of medical equipment from the Department of Social Services. The plan is to use the current system of HTM.
• **Clientele creditor system** – a service system for clients. The system can be compared to a home banking system, where payments to creditors, which have claims on Department clients, are administered.

• **Statistics system** – a complete data-warehouse of the Department of Social Services that is used for standard– and ad hoc–reports, and for simulation modelling.

• **Systems** for dealing with communication with systems of third parties (electronic data movement connection) – the main system should, to the greatest extent possible, utilize data from other data sources and store these data in the aggregated data-warehouse of the Department of Social Services.

• **Internal administrative system** of the Department of Social Services – institutions of the Department of Social Services will be able to be founded and altered without having to supply new and expensive systems. This means that the Department of Social Services will be able to supply administrative service to all institutions of the Department. This includes such things as bookkeeping, wages, human resources administration etc.

It is clear that the new main system is significantly more versatile and advanced in all areas than the current systems of the Department of Social Services with regards to administration, technology and function.

Table 3 is a silhouette of a new main system (table 2) compared to today’s situation, meaning the current systems of the Department of Social Services.

The table shows the grey areas as today’s systems, which also show future needs. The systems that are light coloured are the new main-systems (table 2). The arrows, which show the connection between the systems of third parties, have dots to indicate that currently there are no online relations or connections. The dark grey boxes are the system, which today remains outside the current grant system, but which will be an integrated part of the new main system.

*Table 3: Outline of the current IT-system of the Department of Social Services compared to the proposed new main-system.*
When comparing these two tables, it is important to notice that the current grants system is limited to only include pension grants. Moreover, the allowance systems and the maintenance allowance system run outside the VFS-system as independent systems. There is no system for welfare grants, as simple excel-sheets currently are the main tools. The casework system, ScanJour, is a partly integrated system of the grant system, and includes all the grants of the Department of Social Services. Moreover there is no online connection to data lists or systems of third parties.

Although table 3 cannot show all the differences of the functions etc. compared with table 2—for example automated and other efficiency functions—a great deal of emphasis has been put on creating a integrated main system, where all division systems are linked to one another, and where all necessary systems and functions have been included to insure that the Department of Social Services will meet all the many demands for administration and knowledge in the future.

3.1. Description of principle processes

The centre of the service and information system includes the principle processes, which comprises these parts: journal, service system, calculation of grants and payments. All case processing takes place in this independent part of the system.

The principle processes comprise caseworks, which are controlled by an electronic work process (workflow). The casework is supported by direct access to different lists that supply input (parent-and rate data) for the casework. Several of these lists can be updated with direct electronic data transfer connections to external co-operation partners.

**Kinds of grants**

One main element of the system is the 'type of grant'. The 'type of grant' not only confirms what kind of grant is being processed, but also confirms how the grant shall be processed in the system, e.g. a certain kind of grant can only be calculated in one way, at least as long as it meets the calculation requirements of this certain kind of grant. On the other hand, the same type of calculating can be used for different kind of grants, if they correspond to the stipulated procedures.

A summary of grant types currently administered by the Department of Social Services, is attached as document 1 in the back of the requirements-statement (which is document 4 in the preliminary assessment).

Although grant types in this summary are grouped into around 20 main groups, each main group will contain at least one or several kind of grants, which soon can develop into hundreds. Nevertheless, it is best to maintain the main types of grants and then group the underlying kinds of grants. This approach creates a reasonable statistical division.

The principle processes are described below in table 4. All the parts of the principle processes will then be described in more detail.

The purpose is not to describe an IT-system, meaning a technically realistic system, but rather to show the main concept, which should guide those, who will meet the specification requirements and design a real main system.
The description of the principle processes is largely founded on the current work processes of the Department of Social Services, which among other things includes the manner in which these are processed in the VFS-system. There are however deviations, among other things, because all kind of grants are currently administered in one and the same IT-system, and it is expected that procedures and case processes can be optimized and made more efficient with the new system.

Table 4: Principle processes
Principle processes.
Acts, announcements, regulations, agreements and guidelines.
Procedures.
Personal — and family account information.
Income information.
Receiving of applications and documents.
Applications/documents.
Payment cases.
Payment or cases to be processed.
cases to be processed.
Validation.
Entering/establishing of cases.
Needs description.
Complaints.
Decisions.
Rejections.
Grants.
Kind of grant.
Deduction/creditors.
Payment basis.
Calculations.
Rates.
Payments.
Payment.
Kind of payment.
Assets/debt.
End and filing.
Principle processes
Acts, announcements, regulations, agreements and guidelines.
This refers to the regulatory system, which is the authorization that the Department of Social Services uses to handle cases.

Procedures
This refers to interpreting and describing the regulatory system with the purpose of administering legislation. Procedures can be part of personal knowledge, task solving and documents, but can also be part of the IT system. Procedures determine which issues to consider in casework and which conditions have to be met in order to award grants.

Entering/establishing cases
The person who establishes a case decides what the case concerns. The casework begins with the establishment of a case. The reason for establishing a case can be receipt of a filled-out form, letter, application and in some cases a medical certificate. The case is established on the basis of the received documents and information from the personal data list. The day of receipt will be registered when the case is established.

The system distinguishes between payment cases, which are handled independently by using information in the received electronic documents, so thus are directly decided, and regular cases, which are processed normally.

In relation to establishing a case, the case owner will be determined. The case owner (attached by division and by work title, e.g. manager/social worker/caseworker) can be, but is not necessarily, the caseworker.

Independent work process (workflow-system) is attached when the case is established and a case owner is appointed.

When establishing the case, the person (applicant) will be attached to a standard family.

Cases can normally only be established if parent data, e.g. personal data, is available. Preliminary establishment of a case can occur, in order to set the correct day of receipt.

Lists
Application/document
The scanned documents, applications, letters, statements, medical certificates etc. Also included are documents that arrive directly into the system from external sources e.g. applications from clientele, medical and employer certificates etc.

Personal, family and account information
This includes parent/basic data and personal data (birthday, address, gender, marital/family status), family information and account information for grants and different payments. The list can also contain information on other people than the client e.g. employees, creditors, employers etc.

The list also contains nationality and residence information, information on persons who have lived a part of their adult lives outside the Faroe Islands/the kingdom of

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Denmark. This is information that will be used in connection with the calculation of the a so-called partial-pension.

**Income information**

Information on income, assets etc. This information shall in most cases be available in order to carry out the needs description.

It is important that the income information is divided into the kind of income e.g. A-income, B-income, interest-income, pension, unemployment benefits and other benefits (e.g. ÚS - study grants). Moreover, tax and asset information have to be available.

The above-mentioned lists can be extended with lists that contain public or joint case information e.g. The Hjálpartólamidstød has its own list of equipment and lending records of this equipment. Important suppliers of information and data to the above mentioned lists are: the National Register, the Digital Health Program, The Pharmacy System, The Faroese Custom and Tax Authorities, municipalities, doctors, specialists etc.

**Needs description**

The needs description begins with determining the kind of grant. This refers to evaluation with a basis in procedures, requirements and available information. Special emphasis is put on health and income information. Information for a needs description can also be obtained by visiting clients and from expert statements.

The needs description determines the income basis.

The needs description will be altered e.g. in connection with change or permanent change in the income basis, or changes in the health, work, and civil situation. Other changes in circumstances can be that children turn 18 years of age, that a spouse becomes a retirement pensioner, or that a client moves into an institution, a client dies etc.

In some cases (e.g. in connection with an award of help and/or a nursing bonus) the bonus can cease to be valid temporary or permanently, e.g. if another grant is supplied like when early retirement pensioners receive care aid, a client is admitted to hospital etc.

The assessment can in some cases be sent to an external party to be processed.

In some cases, e.g. payment cases, when a right is determined, there is no real needs assessment, rather there is a validation that in some cases can lead to payment cases becoming cases to be processed.

The needs description gives input for the payment basis (please see below).

One or several caseworkers can be appointed to handle the case, however, with a distinction made between approval and assignments.

**Decision**

The decision is based upon the case being well enough described and documented. By the reasoning and in connection with reference to judicial rights on which the decision is based, please see Section 23 of Parliamentary Act no. 132 of 10 June 1993 on administration acts.

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The authorization for a decision lies within certain areas of responsibility in the institution, and is stipulated with regards to kind of grant, amount and client (divisions).

A decision process is followed (workflow), e.g. decision meetings can be held in order to consider a decision report.

Decision development can occur with requirements to use fixed templates.

The decision choices include: a) request for more information, b) the satisfactory information is not available. The case may therefore cease to be valid, c) consent /award (grant) or d) rejection. A decision can also be a basis for a single grant, a limited grant or a permanent grant.

Rejection
Message to the applicant that the grant application has not been approved.

Grants
Determining of a decision on consent/approval. Authorizes and puts a transaction into force (e.g. payment). Can also be lending of medical equipment e.g. HTM.

Changes in circumstances that are registered, can, by previously stipulated rules, lead to the status of grants being altered, e.g. that a grant is stopped, (e.g. when a client dies, regains health, obtains employment, or that early retirement pensioners do not receive this grant when they turn 67 years of age etc.) or that a grant is automatically routed to a new needs assessment.

Complaints/appeals
Applicant uses his right to appeal a decision that the Department of Social Services has reached. Complaints/appeals can lead to a repeated needs assessment or procedures being reviewed. For complaint/appeals guidelines, please see § 24 of The Parliamentary Act no. 132 of 10 June 1993 on administration acts.

Kind of grant
The kind of grant is decided based on procedures. There is a list of kind of grants, which the case founders and/or caseworkers can choose from. The grant type is always linked to a given grant and is decisive in processing the grant, e.g. calculation, payment etc.

There can be one or several transactions, which can have e.g. time constraints, have no time constraints, are single grants, need specified number of payments or are affected by events/changes.

The kind of grant can be system-limited in different ways. A warning system sends a notice if the same kind of grant is paid twice or several times at the same time to the same person, or if a kind of grant cannot be given to the same person at the same time as he or she receives an other kind of grant.

By choosing the kind of grant, the wrong kind of notifications are also archived if the database is not suitable for the chosen kind of grant etc.

The kind of grant determines time, case, resource, and achievement controls. The kind of grant is the binding link between the case and the grant e.g. the parameters,
treatment time and the caseload are sensitive to the type of grant involved and are set in relation to it.

Kinds of grants are created, altered or abolished by the system administrator.

Calculation
Previously programmed processes within the system itself are connected to certain grants (kind of grants), and can be linked together with one or several calculation processes.

Data gives value to various parameters, which are set in the kind of grant, in the rate lists (e.g. rates with relation to the income status) and in the basis for payment. In conjunction with calculations there is an inspection/oversight carried out (validation). In addition to calculating amounts, the process also prints error lists, error messages and warnings.

For several kind of grants, there is no real calculation carried out, but an amount is stipulated, and other possibly parameters are set - when and how often the amount shall be paid, and to which bank account.

This part of the system shall also be able to double-check the calculated grants when the information has been verified, e.g. income information are available, e.g. double checking the calculated pension and re-calculating pension and welfare.

Payment foundation
The payment basis is partly determined and set in the needs assessment and sometimes without the needs assessment. The payment basis can be altered in connection with new casework, re-calculation or double-check of calculation.

The payment basis contains both data, which is used in calculation and data that controls e.g. payment, print out of payment documentation etc. This can be bank account numbers, deductions, deductions of tax etc. In the payment basis a payment period is also set (limitation on a bill); there is information on kind of grant and ID on each kind of payment.

Payments to creditors can also be included in the same payment basis, e.g. payment for rent alongside grants for welfare clients.

Rate lists
Different rates, amongst others, those that are set in the appointment act. Also outline of the tax rates (country-and municipality rates), tax deductions (e.g. child allowance), payment for insurance, holiday pay, maternity support, The Employment Agency etc.

The system administrator administers the list.

Payment
Payment is a regular financial transaction. It can sometimes be the booking of an amount, which has not been paid. Payments are booked as payments, assets or debt in a debtor-/creditor system.
The payment system will have a summary of payments as soon as they are archived - as part of the next processing run. This amount can be used in connection with information on the next payment need.

Payment information to the system (some characteristic examples):
- Date
- Run-ID (batch no.)
- Transaction-ID
- Booking period
- Booking year
- Booking account
- Payment day
- Recipient (clientele, doctor, municipality, institution)
- P-number
- A-number
- Kind of grant
- Amount (sometimes divided into several amounts: e.g. basis amount, national pension, welfare grants –and possible deductions)
- Deductions for payment to the Employment Agency and for the Maternity System, too much/too little paid in grants etc.
- Tax
- Deduction to creditors according to agreement
- Bank account number
- Deadline for repayment obligation

Kind of grant
- Payment processing (corresponding to interface with e.g. Faroese Department of Accounting and Financial Administration, The Faroese Customs and Tax Authorities and the Pharmacy System)
- Taxable payment
- Non-taxable payment
- Non-taxable repayment
- Repayment obligation
- Repayment obligation
- Demand
Cash payment (which will be booked).
3.2. Control of workflow

Control of the workflow concerns specially set conditions for the system, users and users authorizations, operations and tasks as well the meeting of legal requirements as to the separation of functions. In the service and information system, six situations/conditions are described, but there can surely be more possibilities in a system operating under normal conditions.

The daily work process contains:

Entering/establishing a case file - situation 1: The operation and main tasks are at least 8 in number (in reality maybe more). Authorized entering/establishment of a case concludes when a new case file is entered into the system. Please see table 5 below.

*Table 5: Entering/Establishment Case file*
Móttaka ogiella skanning av skjelum og umsóknum

Ásetan av innkomudegi

Til játtan av veiting

Utgjaldsmál

Útgjalds- ella viðgerðarmál

Útgjalds- ella viðgerðarmál

Óvöðgerðarmál

Kravdir upplýsingar tákir

Innheinta fleiri upplýsingar

Veitingarslag

Ásetan av veitingarslagi

Ásetan av málsánara

Innetan av málsaupplýsingum og metadáta

Persónsskrá

Persónsskrá

Ásetan av upprættingardegi

Mál upprættad

Mál upprættad
**Case process**
Entering/Establishing a case file
Situation 1
Receiving of/or scanning of documents and applications
Setting case initiation date
For approval of a grant
Payment case
Payment or service case
Service case
Required information
Supplemental information added
Type of service/payment
Type of service/payment determination
Appointment of case manager/worker
Entering of case information and assessment data
List of persons.
Setting day of case initiation.
Case entered
Situation 1

Case management contains two situations. In one of the cases the situation concludes with a proposal for a grant, and in the other case the situation concludes with either consent and further treatment of the grant or rejection. There are two possible authorizations: one is for case management and the other is for a decision on approval or rejection. The operations and main tasks are changeable, sometimes more and sometimes less. Please see table 6 below.

*Table 6: Managing a case*
**Case process**

Management of case  
Situation 2-3  
Accessing an established case  
Description of case  
Required information  
Enter supplemental information  
Proposed decision  
Situation 2  
Payment case  
Approval of decision/grant  
Rejection  
Letter to applicant  
Approval  
Establishment of grant  
Payment conditions/parameters  
Letter to applicant  
Situation 3  
Grant

In *calculation/payment* there are 3 situations. The first is more or less automatic, where processing can stop in connection with the printing of an error list, which is reviewed before the processing can proceed. In the other case, the situation concludes with a payment cleared for disbursement. In the third case, a message is sent regarding the processing, management and booking of payments etc.

The authorizations can be several: case management, supervision of error lists, regular oversight, and release of payment for processing.

Operations and main tasks are several, but the process is to a great extent automated. Please see table 7 below.

*Table 7: Calculations/payment*
Case procedure
Calculation/payment
Grant
Situation 4-6
Data entry for calculation
Validation
Error list (procedures regarding corrections)
Situation 4
Decide on rate basis for calculations
Calculation
Rates
Formula options/programme
Combined sums in payment
Payment/kind of payment
Payer
Supervision/oversight lists
Situation 5
Notification regarding transaction processing “run”
Message on equalization on run
Processing of payment
Transfer of money
Booking of transaction
Notice to payment recipient
Situation 6
Management of the work procedure has become a standard part of most advanced journal-and data-management systems. The most challenging parts of these systems are not the technical issues, but rather to determine a sensible functioning of authorizations, tasks and timing (to make the tasks move efficiently through an organized work process) etc. and to insure that all employees understand the importance of this part of a case management system.

The work process (workflow) can also be connected to the case and performance management as well as the statistical reports.

In addition to the management and efficiency of an organized work process (work flow), especially effective and productivity enhancing features can also be included, so that extraordinary work procedures or certain work tasks (e.g. entering of a case and/or grant) will be partly automated - including help information or so-called wizards in the IT-system.

The advantages of such systems or procedures, where wizards are used to manage the work processes, are that a greater certainty will be obtained, insuring that the formal part of the casework is treated satisfactorily before the case is concluded, e.g. that rules are followed, requirements met, necessary information obtained, letters and announcements are sent out, information disclosure is made, required hearings are held, deadlines are met, etc. Thus, effective communication between employees and the IT-system can speed up case management.

Such systems also support more accurate case management, which means that the procedural part of the casework meets the set standards. Moreover such systems insure greater consistency in case management and that work is carried out properly.

One of the results of this increase of efficiency will be that all caseworkers and social workers have more time to focus on the social aspects of their work – things such as advising and counselling etc., which today, in too great a part, are put on hold due to lack of energy.
4. Needs description

This section describes the different parts of the main system, and the connections between these parts are discussed in greater detail.

4.1. Portal

This preliminary survey recommends, as a main basis of the new system, that the Department of Social Services use a portal solution for administering everything accessible to all functions within the system. The purpose is to unify the working method of the user-interface, thus making it as easy as possible for all users to use the system.

Secondly, others in addition to employees and managers within the Department, will, to the greatest extent possible, have access to the system. This will insure that the system will not only be an internal tool of the Department, but will become a centre for the secure management of social data used by all parties, which have responsibility and interest in this data.

Public need for a portal

This is a broad outline of the main parts of a portal solution:

- **Clientele portal** – where clientele of the Department of Social Services can log on and communicate with systems and casework of the Department in conjunction with their own cases.

- **Employees’ portal** – where employees of the Department of Social Services can log on to all processes that they are involved in. The employees’ portal allows access by employees according to the distinct role that they play in the Department of Social Services.

- **Management portal** – where the management of the Department of Social Services and other administrators – foremost the Ministry of Health and Social Affairs – can log on and gain access to approval processes, statistics and types of information relevant to their level of management.

- **Specialist portal** – where specialists outside the Department of Social Services and other external employees can log on, gain access to certain cases, and be able to add additional case documentation.

One of the main potentials of the portal is the possibility of Single sign-on, meaning that a person logs on to the system based on his/her identity and access rights. This means that the user is identified and has corresponding access to information, IT-work systems, statistics databases (data warehouses), and IT-services such as email etc.

The need for security requires that the data used are saved on a browser level rather than on a local computer. There is a need for a users administration system,
which administers all users and the rights of the users with a Single sign-on. Necessary security measures should insure that all communication is encrypted. Home offices should have a VPN-connection (Virtual Private Network) with the work place.

The portal is a web interface with underlying software, which gives users and employees access to information, IT-systems, different IT-services, and which makes self-service possible.

Self-service means that:

- Clientele fill out electronic forms and applications online
- Employees fill out income documentation on the portal in connection with maintenance allowance and the work situation in connection with protected occupation and rehabilitation
- doctors send medical certificates to the Department of Social Services electronically
- communication between municipalities and the Department of Social Services takes place on the portal
- Clientele gain access to their own journal information via the portal.

When the client has sent his data and information via the portal, the system will independently send information to the client on reception of the data. It will also send notification on whether the application has been approved, rejected or if it will be handled manually. Independent notification regarding approval or rejection is possible in cases that can be automated such as maintenance allowance and public pensions.

Need for clientele and interest portal

Access for clientele and interest groups will be differentiated by need and by the case, which the party concerned has with the Department of Social Services.

All electronic communication between clientele and the system will be organized with digital signatures. A client will be able to fill out and submit forms online, and it will be possible for a client to check how far their application for e.g. early retirement pension has come, or if the doctor or employer has sent documentation on illness. They can see income calculations in connection with applications on maintenance allowance or to be able to read account statements via an E-box system.

A FAQ-list (frequently asked questions) can be a part of the portal, grouped by subjects, so that a client can receive quick answers to common questions. In addition to this, a system should allow calculation of examples of grant calculations, which are based on typed-in data from a client.

Employers shall be able to send employer’s documentation via the portal, e.g. in connection with income documentation regarding maintenance allowance. Electronic communication via the portal with doctors, psychologists, physiotherapists, criminal welfare workers, child welfare committees, social departments etc. shall be able to be traced in a “journalization” of the communication.

Specialists shall have access to the system via the portal and will be able to type in different professional “standard” assessments and explanations in connection with
cases. Standard explanations and situation assessments of different institutions and communities, such as the Home Care and Special Welfare, the Institution for the Blind, the Faroese Deaf Association, ALV, the Special Centre, secondary schools in the Faroes and Denmark, treatment institutions in the Faroes and Denmark, Danish municipalities etc. are other types of information that the portal should allow to be entered.

Creditors of the Department of Social Services shall also be able to see account statements (E-box system) and shall, at the same time, be able to send electronic bills to the Department of Social Services via the portal.

One of the other interested parties is the Ministry of Health and Social Affairs, which shall be able to access statistics through the portal, e.g. statistics such as number of pensioners not entitled to supplements or the scope of the medical certificate in a maintenance allowance. When dealing with interested parties, it is important that the interested parties only receive relevant statistics within the interest area – the statistics shall, however, be anonymous, and limited to a group of no more than 10-20 individuals. This will be more clearly stipulated in the data warehouse system.

The portal could also contain a “profession profile” database for firms and employers in the Faroes, in connection with rehabilitation etc. Moreover, there should also be listing of items and a storage list of the medical equipment centre.

On the portal it should be possible to communicate, carry out work tasks, co-operate on work tasks, and collect information on different things (e.g. that employees have quick access to procedures, guides and management information).

The need for an employees’ portal

The portal shall be a working environment for employees and, in some cases, also of collaborating partners – allowing for electronic communication between municipalities and the Department of Social Services regarding e.g. disability cases.

Access to the portal shall be differentiated or separated according to the content and the work task of the employees. It is important that care be taken to separate functions, meaning that the same person should not be able to approve, document and at the same time establish a grant. Employees should only be able to work with cases within their level of expertise.

There is a need for the portal to contain a graphic workflow to support processing by employees, and which gives access to internal and external electronic documents. The graphic workflow will give the employees the opportunity to follow a case process (for established cases), and also to respond to inquiries by clients regarding how far along the case has come in the process.

The portal shall be able to provide employees with an outline of stem data on a given person, all cases per person, case family and standard family of the clientele, all grants per person and all payments per person. Moreover an outline can be obtained of all external interest groups (relevant in relation to the work field), and access to their data provided as hyperlink.

The system will automatically generate letters to clientele in connection with approval/rejection/decisions.
In connection with the casework, the system shall independently read the pertinent data from the database of the Faroese Customs and Tax Authorities. This can be income information for a particular period of time, asset information, surplus tax circumstances and/or holiday pay status. This means that when a caseworker e.g. processes a welfare case, then the system will know which income information is necessary for that particular process and calculation, and this information will be available at the same time that the caseworker begins the casework. This will ensure more correct and significantly quicker casework.

Alternatively this can be organized in another manner. The portal could have a screen image to make it possible for employees to choose, by ticking off, which kind of income the system has to deduct from the database of the Customs and Tax Authorities. However, this manual work process increases the risk of a wrong calculation basis.

Potential for levels of access to community information e.g. income, medical certificates, and death certificates will possibly be done.

In connection with oversight, the section head/head of a department shall have access to the transcript of booking lists, error lists, deduction lists in connection with payment processing, and daily transaction lists in connection with daily supervision.

Graphic screen images shall conform to the work function and rights of the employee.

Need for an employees’ portal, distinct for the social workers of the Special Division (disabilities) and Labour Market Division
The divisions of the Department of Social Services are not alike, and in particular, the special divisions have a greater more critical need for information regarding case management. These divisions have a need for organized data, which present a summary of all information and decisions related to a case (Clientele outline CRM). These cases, at the same time, have many self-generated reports and external assessments from specialists. The CRM shall therefore consist of all electronic forms and electronic documents such as authorization documentation and receipts. There shall be an opportunity to examine complete data on a given person including electronic documents, and there shall be access to income data from the Faroese Customs and Tax Authorities regarding income circumstances of clients. There shall also be an opportunity to look up, group and compare similar cases, grant levels and decisions. There shall be access to inventory lists of the HTM (Medical Equipment Centre).

Based on the decision of the social worker, the system will generate a letter to a client and place an electronic copy into the system.

There is a need for relevant statistics for ad hoc reporting etc.

Need for employees’ portal, which is distinct for the Finance Division
In regards to legal financial work and work within the finance division, it is necessary that the portal meets the following requirements:

There shall be the ability to book transactions with retroactive provisions to the correct payment period and payment year (periodization), e.g. bills for the previous year, but which will be booked in January and February.
There must be the possibility of determining per unit costs by working with creditor cost information.

Medical certificates in non-decided pension cases shall be allowed to be paid out of the system. All expenses prescribed by law shall be paid by the system, including the pharmacy and hospital etc. If there is approval of the bills from the pharmacy and hospital, the system shall automatically create a validation, whether the grant vs. approval is correct.

In case of death, payments and bills of the diseased can be paid.

Employee’s cases are controlled in the employees’ system, which is connected to the casework system. In connection with employees’ administration, there shall be a correlation between the payment module and the clock-in system (currently TRM). Corrections in the payment module regarding paid/counterclaimed hours will be automatically corrected in TRM. It will be possible to print out a complete summary of paid wages and certain periods of time, and the paid wage per person and certain periods of time. The payment module shall be able to generate letters of employment, and salary codes shall provide various data (wages, seniority/length of employment, union status, pension information and other necessary information) in the letter of employment.

All care providers in the welfare system for children shall be incorporated into the payment system of the Department of Social Services, and all communication shall be carried out electronically. Care provider cases will be controlled in the case management system with standard letters. In order to make the work easier, it would be convenient if employees did not have to type in the p-number of employees/care providers each time there is a new image and system on the portal. Rates, e.g. hourly wages and wage rates are part of the payment system.

The financial division has great need for accurate statistics, both for the running of the Department of Social Services and its institutions, and for legally binding expenses.
The need for the portal for institutions of the Department of Social Services

Several institutions are part of The Department of Social Services, and in the future there may occur new administrative changes in the public sector. Therefore it is necessary that the development possibilities of the portal are easy, so that the portal can continuously adapt to the needs and conditions that new institutions demand of a system within the Department of Social Services.

The institutions of the Department of Social Services have some special needs in regards to the portal.

HTM’s main requirement is for control of inventory, and therefore there has to be a follow up module for lending records and reuse of medical equipment.

Divisions of the Department of Social Services shall be able to be founded and altered without having obtain new and expensive systems. This means that the Department of Social Services shall be able to supply administrative service to all divisions of the Department in regards to bookkeeping, wages, employees administration etc.

Current standards and ad hoc statistics shall be available for all divisions.

The need for a distinct portal for management

The management’s needs are at a more strategic level, especially with regards to statistics. The portal will be used for measuring cases and results of the casework of divisions within the Department. Moreover, the portal will be used for obtaining summaries and to consider outstanding cases – the head of a department shall be able to see the amount of all outstanding cases in his/her division (division level and per person). The portal shall supply statistics on average processing time for different groups of cases and areas, and register every authorisation of a grant or payment – often there are more than one, but in that case the main authorization and a field for other authorizations.

The management also needs quick and constantly updated summaries of operations in their area of concern. Such a summary of operation, which shall be clear and easily accessible to the manager, shall include production, decisions, grants etc for the division and for the individual employee. The summary of operation shall also include kind of grant, amounts, area in the country (possibly divided by municipality) etc. The summary of operation shall be able to show the current situation, and the history of the process, e.g. daily, weekly, monthly, quarterly figures, etc.

Need for portal for heads of sections

For heads of sections or others with distinct authority, there is a need for a broad user authorization, such as e.g. access to day lists for use in connection with supervision of casework.

Moreover they need access to carry out payment runs, and access to carry out spot tests of the runs to ensure that the correct procedure has been followed. Double checks of p-number vs. account number, person vs. p-number, volume of money, number of persons, grants and kind of grants etc. should be possible. The supervision may also include investigation of whether or not authorizations on casework are in order i.e. proper authorization of payment, authorization of consent of grants etc.
The system should include the technical capability for the distinction of function of authorization for consent, documentation and assignment of money, but there will be an opportunity for manual control of deviations to normal situations and in exceptional cases.

**4.2. Client Relationship Management - CRM**

An important part of the operation of the Department of Social Services concerns communication with the clientele. Thus, there is a need for a uniform clientele scheme (grouping of clientele) where employees, using a screen image, have the opportunity with quick and simple methods, to find details and work with information relating to a given client(s).

It shall be possible by free text search to search for clients. Name information shall roughly be according to the approved name lists (National Registry Office), but with a drilldown to previous names, if the person concerned has changed his name. Moreover there will be a summary of current information i.e. telephone --and mobile phone number, e-mail, mailing address, identification of groups to whom the client is related – an example of a group is the “case family” (e.g. spouses and children in the same case family).

There will also be a summary outlining the connection to a caseworker(s), of current cases, of current kinds of grants that the client receives from the Department of Social Services, a summary of all payments to or from the client and the Department of Social Services, and a summary of all current key data for the client.

**4.3. Guidance/help system (intranet)**

The Department of Social Services shall supply quick, proper and consistent service in case management. To meet these requirements efficiently, it is necessary to have a guidance/help system. This is a system that will be an integrated part of the portal. The system itself shall contain help text for employees. It can be compared to Windows Online Help (F1).

For each step in a procedure, it will be possible to look up in the help system and receive assistance built into the context of the procedure. All the set grant rates shall be easily found. When a case is established with a retroactive day of validation, the system will locate the pertinent rates and/or information, which was valid on the retroactive day. There will be an opportunity for creating new help guides, and older versions of help guides shall be available via a drilldown.

A limited number of editors shall have the authority to establish or alter help guides. Other employees can propose alterations to the help guides to the editor, via the system. Moreover, there shall also be other features, such as internal debate forums and other electronic employees forums.

**4.4. Journal and casework system**

In connection to the new IT-system, these concepts will be used:
• Normal journal case – a case treated manually by a caseworker.
• Electronically financed case – a case administered and processed electronically within the grant system.

The journal and casework system shall be a supporting system for the grant system. When information cannot be processed within the grant system, the journal and casework system will be used.

Special considerations must be possible to take into account when entering a new case. It is expected that it will only be necessary to enter and process a case when a real case is in question.

In situations where processing questions arise, and processing can be validated manually, the journal- and casework system should not be used – this is in reference to normal cases of maintenance allowance, child maintenance and national pension, which do not have unusual features that require actual casework.

Public need for a journal- and casework system
It shall be possible to access and read the current journal plans of the Department of Social Services. Moreover, it shall be possible to see the various case codes used. This will result in better production of statistics and more ease in locating important cases.

There shall be a possibility for cases to exist only in an electronic record – e.g. that maintenance allowance will be treated electronically in the grants and payment system, and thus never will become a regular casework journal case, unless an actual request is made concerning that individual case.

Need for standard correspondence
There is a need to maintain records of all outgoing standard correspondence. Standard correspondence shall be kept updated, and in some cases it shall be possible to enter standard correspondence into the system in several languages. When a new version of a document is made, it is necessary to have a procedure that insures that new translations of the document will also occur in the other languages the document exists in.

It should be possible to send out standard correspondence in several forms – i.e. a regular posted letter, via e-mail, E-box system etc.

It will be possible to add standard correspondence to information, which will be sent to other institutions to be processed e.g. to send standard text information to the FSL (Faroese Department of Accounting and Financial Administration) debtor system, which will be printed alongside account records to the client.

Need for standard procedures
There will be the possibility of setting up standard procedures for uniformity in casework. There is a need for a procedure that includes approval/release steps in connection with establishing/setting up standard procedures.

According to standard procedures, there will be e.g. regular set communications with a client, and there will be an opportunity for setting up planned communication e.g. meetings with a client. Deadlines for these meetings or other communications will be designated in standard procedures.

Sent 06.06.2006
Standard procedures will be carried out within standardised time frames. When these time frames are not followed, employees, according to regulations, will be sent reminders by the system e.g. a national pension, which has not been processed by the appointed deadline for such cases.

**Needs in connection with casework**

Employees shall have an updated summary of outstanding assignments and a summary of case assignments processed. In this regard, employees will have a listing of warnings and reminders created by the system.

Employees will have their own journal, which will show all the case events carried out by the employee. This journal summary should be sorted into columns and should also be searchable using text searches. (free text?)

Moreover, the system will be able to distinguish between urgent cases (welfare client has an urgent need), normal cases (e.g. maintenance allowance, pension etc.) and long-term cases (e.g. treatment of an early retirement pension etc.).

In connection with casework, clients will be able, via access to the portal, to see information concerning their own case and to see how far along the case has come in the process of reaching a decision or processing a grant.

**Need in connection with decisions on casework**

All decisions shall be entered into the main system in an organized manner, which will make it possible to see a breakdown of a decision based on conditions, authorizations, reasoning, details of the decision, and possible complaints. The user shall fill out a form, where the decision will be precisely described in a set manner according to the decision type. All decisions shall be documented and locked into the system, which will insure the availability of a case history.

By identifying a decision type, including the kind of grant or grant variant, the system will independently suggest what kind of standard correspondence should be used. The user shall, however, if needed be able to change or select the type of correspondence in the processing screen/window.

**Needs in connection with archiving**

It has been suggested that all documents be made electronic. Therefore, there shall be an opportunity to create PDF-files to send to a distant electronic depository. In this connection, it shall also be possible to choose other kinds of document formats, other than PDF, when sending to the distant electronic depository.

All inactive cases shall be little by little electronically processed. It will not be necessary for them to be journalised or for the caseworker to carry out manual actions to enter a case. The system shall – after archiving has been carried out – print out a list of inactive/closed cases that have been archived.
4.5. Grants and payment system

Preface
The grants system administers the calculation and processing of grants, and the payment system creates payments and payment requests.

Below, different kinds of grant calculations are described. This gives an overview of contents and things to consider when carrying out these calculations.

In order for an up-to-date system to function as a whole, several uniform terms are used in spite of shades of difference in the meaning of these terms. The system shall deal with different tasks according to different regulations, thus there will be different ways of entering data and making calculations. The basis for maintenance allowance and the method of calculating it is completely different than e.g. that for the national pension. This can be seen in the basic functioning of the work of different divisions in the Department. However, as soon as case information/data nears the payment system, various kinds of data will become more uniform.

The intent is that all information from grant calculations will be the same, regardless of which kind of grant is involved. This means that largely the same kind of program can be used for all tasks after the basic calculation has been carried out. This will have a significant impact on history information, not to mention the statistical extraction capability.

The entered data information for various divisions in the Department is different, but by using the same terms, e.g. payment basis, grant information etc. we create uniform terms for all areas.

The system is not intended to provide the user with different programs e.g. administration of calculation rules, but rather to have only one program for administration. The system shall, depending on the kind of grant description (maintenance allowance, pension etc.) provide the user with access to images/icons, which are necessary to maintain set grant descriptions and set types of grants.
**Main kind of grants**

a) Basis for kind of grants  
Statutes/Regulations  
Announcements etc.  
Guidance  
b) Calculation rules etc.  
c) Setting up a Booking  
d) Types of grants available in the system  
Maintenance allowance  
Welfare  
Pension  
Child maintenance  
Individual reports etc.

- Grants description  
- Booking profiles  
- Account string/thread/flow (D/K)  
- Kind of grants  
- Rates and limits

**Table 8: Common structure of grant descriptions**

The letters below correspond to the letters in table 8.
All payment recipients shall have a payment basis/justification, which contains some information on the client, and which is connected to a grant description d)

A grant description is connected to legal regulations, announcements etc. a), and a grant description that is connected to a main grant description b)

Calculation forms are attached to the main grant description alongside certain texts that are intended for calculation of main grants. Rate lists are attached to both calculation forms and to one-time/individual grants. Calculation forms and rates will be registered by transaction/commencement dates (valid from and to), so that the system can calculate and stipulate grants from a set date.

The system shall contain updated FSL charts of accounts c), and it is intended to build booking profiles in the system, which contain booking accounts connected to grant descriptions and kind of grants.
Payment justification and 'one time' grants

Persons, who have the necessary authority, shall as a rule justify payments and approve one-time grants. Regulations governing grants must be stipulated, which distinguish between grants that do and do not need approval before the registered grants are transferred for payment processing.

Employees should have the necessary authority, both for registration of grants and approval of grants as well as know where this authority is stated/given in the grant information. At the same time, employees will have an amount limit for each grant description.
Information of relevance to awarding of grants

Table 9: Diagram overview of system information

- Length of residence
- Income information
- Income codes
- Country
- Municipality

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Postal code
Act
Family
LFY/FGJ Name information
Family
Name
Address

Files
Case
Debt
Users
Family
Approvals
Approved medications
Dispensed medications
Events

A-numbers
Income limits
Rates

Pension description
Kind of grant
Deduction recipient

Pension justification
Permanent/non-permanent and individual grants
Account plans

Number of admissions
Offices/divisions
Authority

How and where this information has an impact will be examined more closely later.
Dagpenger
Utökning og ásetan av dagpengu. *Mynd 10: Grundarlag fyri dagpengaútýgljald*

**Grundarlag fyri dagpengauýgljald**

<table>
<thead>
<tr>
<th>Upplýsingar, íð verða knýttar til útgjaldsgrúndarlagið</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Persóns &amp; arbeïðsgevur upplýsingar</td>
</tr>
<tr>
<td>b) Umsókn &amp; læknaváttan</td>
</tr>
<tr>
<td>c) Lénnarupplýsingar</td>
</tr>
<tr>
<td>d) Slag av dagpengaveiting</td>
</tr>
<tr>
<td>e) Sjalvboðin trygging</td>
</tr>
<tr>
<td>f) Veitingartreyting</td>
</tr>
<tr>
<td>g) Kalendari</td>
</tr>
<tr>
<td>h) Hældagar</td>
</tr>
<tr>
<td>i) Afbrar sosialar veitingar</td>
</tr>
<tr>
<td>j) Læknaváttan</td>
</tr>
</tbody>
</table>

**Til debitorskipan**

1) Krav til arbeïðsgevur

**2) ÚTGJALDSGRÚNDARLAG**

**3) Leysar rapporteringar**

<table>
<thead>
<tr>
<th>Upplýsingar, knýttar til leysar rapporteringar</th>
</tr>
</thead>
<tbody>
<tr>
<td>k) Veitingarlag</td>
</tr>
<tr>
<td>l) Valur dagfesting</td>
</tr>
<tr>
<td>m) Frekvens</td>
</tr>
<tr>
<td>n) Upphædd / satsur</td>
</tr>
</tbody>
</table>

**Til útgjaldsavreiðslu**

4) Índáta til útgjaldsavreiðslu

5) Rínda av læknaváttan

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**Maintenance allowance**
Calculation and granting of maintenance allowance.

*Table 10. Calculation basis of maintenance allowance payment.*

**Calculation basis of maintenance allowance payment**
Information linked to the payment calculation.

a) pension and employer information  
b) application and medical certificate  
c) wage/salary information  
d) kind of maintenance allowance/welfare grant  
e) private/voluntary insurance (paid by the individual himself)  
f) grant requirements  
g) calendar  
h) holidays  
i) other social assistance/welfare/grants  
j) medical information  
For the debtor system.

1. Requirements for the employer/s.  

2. **payment justification**  

3. **Individual/one time reports**  
For payment processing.

4. Input data for payment processing  

5. Payment of doctor’s bill  

Information connected to one time/individual reports.

k) kind of grant
l) grant commencement date
m) frequency
n) amount/rate
The letters below correspond to the letters in table 10.

Information in relation to maintenance allowance grants

a) Name and address information associated with the p-number (personal number) of the client and also bank account number information.

From the business registration number of the employer(s), the name and address information of the employer is found. Information on the client, employer and others (e.g. doctors) is found in an internal list of individuals (similar to the one in Føroya gjaldstova – government finance office/exchequer) or by direct access to the FSL list of individuals.

b) Application for illness maintenance allowance with information about the first and last day of illness, reason for illness (here there could be joint lists of reasons for illness, which can be attached to the maintenance allowance application and possibly other applications (welfare and early retirement pension)).

c) Wage income for the last five weeks, which will be used for calculating income basis.

d) The case system will distinguish the kind of maintenance allowance, and will attach the application to a certain kind of maintenance allowance (illness, maternity, insurance benefit etc.).

e) If the client has taken out extra self-paid insurance, then information on paid insurance premiums, mandated waiting periods, and insurance activity information will be used in calculating the payment basis.

f) The conditions for grants are found in the main grant descriptions for payment justification/basis. This refers to requirements, calculation formulas, rates and other stipulations, which are necessary for determining the grant.

g) There is need for a calendar to determine grants for persons who only receive paid grants for a five-day week. The system has to recognize/distinguish regular weekdays and consider these in relation to waiting periods and first/last payment days.

h) It is necessary to include Faroese national holidays because grants are not paid out for national holidays in a period of illness.

i) If the client receives other social grants, e.g. pension and welfare, then the payment justification/basis for pension and welfare will be affected by the maintenance allowance payment. With regards to pension, this should be stipulated in the grant description.

j) When a doctor issues a medical bill/claim and/or a document for lengthening the illness period, he will receive payment for the medical bill. Information on p-number/a-number, name and address information, if he is A/B tax liable and the bank account number will be used for transfer of payment. Payment for the medical bill shall be transferred regardless of whether or not a payment justification/basis for the client has been registered.
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**k)** If there is need to register one time/individual reports, in addition to the automated grant, then the grant shall be linked to a stipulated grant purpose. The kind of grant shall either be linked to the maintenance allowance description or to another general description.

**l)** The user appoints a commencement date (valid period), so that the system can locate the correct rate if a rate is connected to the grant.

**m)** The user appoints a commencement date, when the grant shall first be paid out, and how often or until when. The user also registers which kind of processing shall be used for the payment, e.g. maintenance allowance processing, ad hoc processing etc.

**n)** If the kind of grant has a fixed rate attached, then this will be used. If the kind of grant has a rate attached, then the user will choose a rate. If there is no rate attached to the grant, the user will set an amount.

**Maintenance allowance application**

When payment justification/basis is registered for a maintenance allowance recipient, information from both the application for maintenance allowance and information from internal data bases is necessary for the system to have a valid basis for an automated maintenance allowance grant.

The system will automatically register the following, based on the case system (information on kind of case etc.):

- Attachment/connection to the name list
- Attachment to cases (and possible regulations) in the case system
- Finds grant description and stipulates kind of maintenance allowance (and thus) is characterised by:
  - Case system
  - If the person is applying for him/herself or not
  - If the person is a pensioner
  - Etc.

Based on the application, the following will be registered:

- First day of illness
- Last day of illness
- Average pay the last five weeks
- Waiting period. The system stipulates the number from the kind of grant, but the user has the opportunity to alter the number, if the kind of grant allows this.
- Reason for application (due to illness or a classification that can be used for statistical purposes)
- Place of payment
- Doctor, who has issued the medical certificate, and who will require payment.
- Employer(s), who will pay for the first days of illness.

There shall also be an opportunity to register one-time/individual reports, e.g. deductions or other regulations.
If the payment justification/basis is determined by certain case keys, the above-mentioned information is shown on a screen, and the user can make changes to the already registered information.

The payment justification/basis shall include a “valid from and to” (or version management) so that alterations can be registered in the payment basis as a new payment basis for certain periods of time, meaning that the history for the payment basis is present, and that changes can be registered, which will lead to reviews of already processed grants.

**Payment of maintenance allowance**

When the maintenance allowance is calculated in connection with a payment, the system will always calculate from the first payment day to the actual processing day (first transaction date), so that possible alterations can be made. The system will be able to calculate what the client has a right to for that period of time, and to deduct already paid maintenance allowance. If the result is negative, no result will be saved and the client will not be processed (removed from the payment batch). If the complete period of time is not fully paid, it is possible that the next payment, and thus the adjustment will be processed in the next payment cycle.

If it is not possible to re-adjust too much paid maintenance allowance, it will be registered as a debit in the debtor system. Payments from the debtor system shall be registered as one time/individual reports to the maintenance allowance basis, so that the client and the maintenance allowance payment will be written down along with the pay back. If and how the registration of the pay back of the maintenance allowance will be booked in the system will be built into the system.

**Justification/basis and information to calculate need in setting maintenance allowance.**

**Research:**

In connection with calculation of maintenance allowance, the system will check to determine if the client is active in other parts of the system, e.g. pension or welfare, and based on the maintenance allowance description decide if a possible parallel grant is allowed and how.

**Time period**

The first- and last payment day, and total number of payment days

Based on the first and last day of illness, the first and last payment day is stipulated. In this connection it is necessary, based on the grant description, to gather relevant regulations from the grant description and among other things, consider: the possible length of a waiting period, whether it is a 5 or 7 day week, if public holidays will affect the payment days, the limit on number of days that can be granted in the same period of illness, the limit on number of days for several periods of illness for a given period of time, and the limit on number of days for pensioners.

Rules concerning insurance premiums payers/payments, e.g. paid on time and when, waiting periods due to late payment.

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The information above gives the system the opportunity to determine the first and last day of payment, and also to gather number-of-payment-days figures for the period of illness.

**Amount:**
The system calculates an average weekly wage, based on the wage income of the last five weeks before the first day of absence. The system shall also be able to calculate based on the last five working weeks, the last three months and the last year (this is necessary if any other payment justification/basis is to be used other than the wage income of the last five weeks before the first day of absence). If the average weekly wage is lower than the appointed maximum payment for the grant (based on the rate list), the registered average wage will be used as a basis; otherwise the maximum weekly amount from the rate list will be used.

Because the maintenance allowance recipient receives holiday pay with the maintenance allowance, the weekly amount will be increased by the value of the holiday pay percent (taken from the rate list).

The weekly amount will now be divided by weekday number (from the maintenance allowance description) and a day rate is found, which will be used as basis for the payment.

**Payment:**
The payment will be processed in the joint processing system by choosing “maintenance allowance” in the payment batch, and then initiating processing.

Based on a choice (all, selected or groups), the system finds the maintenance allowance basis and the processing of the client payment begins.

The system calculates the whole time period from the commencement day (transaction date), and at the same time uses valid rates and a valid payment basis. This means that previously processed payments may be adjusted and the difference will be paid. If up/down adjustments are carried out for previous time periods, these will be attached to the original grant.

If regulations, changes in rates etc. are left out of account payment days are multiplied by the daily grant rates.

The results will be registered as grant lines/flows attached to a certain kind of grant.

**Payment of doctor’s bills/claims**
The system will automatically pay doctors for the medical certificate bill (rates to be taken from the rate system), and the payment will be treated as taxable income. The payment will be treated in the creditor system, as either A- or B-taxable income to the doctor.

The system will register that the medical certificate bill has been paid.

**Payment responsibility of employers:**

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The system will determine payment responsibility of the employer for the first payment days of the period of illness. The number of days that the employer shall pay for will be registered in the calculation formula for maintenance allowance.

Once the day rate of the client has been determined, the user will type in the employer(s) and the division of the payment responsibility between the employers. The system will then enter and save the record in a special joint demand list.

The payment responsibility will be registered in the debtor system of the Department of Social Services, with reference to the case/payment basis.

**Welfare grants**

Grants that are made as:

- Temporary maintenance
- Long-term maintenance
- Help for reasonable exceptional expenses
- Medical and dental care
- Child with physical or psychological disability
- Care givers (foster carers)
- Rehabilitation
- Medical equipment
- Counselling/medication

The system will support the casework, so that calculations and need assessments will be automated to the greatest extent possible. Also, the grant justification/basis will be attached to the applications and to the client/payment basis, so that it is always clear what the justification/basis has been used for certain grant payments as well as when the grants were made. The information will also be saved in the history attached to the individual payment.

Welfare grants differ from e.g. pension grants by being paid as net grants, meaning that the system will consider certain client expenses, e.g. tax, the Faroese Employment Agency fees, Health Insurance Society premiums and other expenses. Some of these expenses are local, e.g. municipality tax percent, child allowance and Health Insurance Society premiums. As can be seen, there are many circumstances to be considered, and these can differ according to the kind of welfare grant. Therefore there is need for a flexible system, which will be used for building images/documents for the purpose of setting up a grant.

Instead of describing all the grants and how these are determined, the aim is to create a flexible system, which will contain all calculation formulas for welfare grants in a text-system of documentation and formulas.
**Document structure**
Plan for document structure, please also see table 11.

**Table 11: Administration of documents and formulas**

<table>
<thead>
<tr>
<th>Field</th>
<th>Umsøkari, navn</th>
<th>Hjúnaðarf. / Samþýng</th>
<th>Typing column</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manadarleg innlóka</td>
<td>0.00</td>
<td>13.500,00</td>
<td></td>
</tr>
<tr>
<td>Kommunuskatta %</td>
<td>20%</td>
<td>0.00</td>
<td>-2.700,00</td>
</tr>
</tbody>
</table>

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The system will have the possibility of administering documents in a flexible manner, which will allow linkages between registration images and the different kind of welfare grants. The administrator will have the possibility of building up a document with the necessary fields, and be able to control how these fields behave when the user uses the document.

A document of this kind (table) will normally contain some fields, which the system can fill out based on information from the case/grant background information (name of client, name of spouse, home municipality, tax percent, country tax rate etc.). Some fields will be for text entry and some will be for calculations. The calculation fields shall relate to a certain kinds of grant, which will be used for the payment (payment flows).

The formulas for field creation shall allow for setting up calculation fields including links to necessary basis lists in the system that will allow use of information from there e.g. rate lists, income lists, municipality tax percents, child allowances and other lists that contain specific information, which can be used as part of a calculation.

The document shall also contain (save) other values than the ones typed in. Other fields and calculations will be filled out, either when the document is shown on the screen, or when it is used as a basis for payment processing.

The content of a document will be linked by its purpose, meaning the kind of welfare grant it relates to.

The next page shows information that will be part of the assessment/awarding of grant(s). All this information is not always part of the justification/basis, due to the different types of welfare aid. The idea is that the documents/screens-where-information-is-typed-in are constructed in such a flexible manner that the information that will be used/shown for a need assessment is available and can be used in each unique document that is created for a case.

Table 12: Justification /basis for welfare grants
Feasibility Study Primary Computer System 2006-2008

Grundarlag fyri forsorgarveitingum

Upplysingar, ið verða knýttar til útgjaldsgrundariagið

a) Persóna-upplýsingar  
b) Barn & civilstæði  
c) Léner- og annað viðurkast  
d) Lénda skattastig  
e) Kommunali skatta %  
f) Dagpenga max  
g) Grundarupphæð / tókaspension  
h) Sjúkrahessa geyser  
i) Lækninga upplýsingar  
j) Læknavattan  
k) Súlukrát  
l) Skrásettar úrleðslur  
m) Slag av veiting  
n) Affurðarmið  
o) Lógar- og reglurgerð  
p) Alþ maður  
q) Fastsettar úrleðslur (Kringvögg)

ÍrTekst Melinar

Innhúsið millum rökning

1) Millum- og mötökning við pensið / Dagpengar

2) ÚTGJALDSGRUNDARLAG

3) LEYSAR RAPPORTERINGAR

Til útgjaldsavgreiðslu

4) Inndata til útgjaldsavgreiðslu

5) Rindan av læknavattan

Upplysingar, ið verða knýttar til leysar rapporteringar

a) Veglingarlag  
b) Valar daglegleging  
c) Útgjalds-frekvensur  
dx) Upphæðs / satsur  
y) Kredótar  
z) Lógar- og reglurgerð
Justification/basis flow chart for welfare grants

Information that will be linked to the payment basis
a) personal information
b) children and marriage/co-habitation status
c) wages and assets
d) national taxes
e) municipality tax percent
f) maximum maintenance allowance
g) basis amount for a public pension
h) Health Insurance payment
i) Doctor information
j) Medical certificate
k) Rate list
l) Registered expenses
m) Kind of grant
n) Repayment obligation
o) Laws and regulations
p) Maximum does 'als' have a meaning here?
q) Fixed expenses kringvarp? Radio and TV annual fees?
r) Needs assessment

Information linked to one time/individual reports
s) Kind of grant
t) Commencement date
u) Payment frequencies/intervals
x) Amount/rates
y) Creditors
z) Law and regulations

Internal current account
1. Current account and offsetting balances for pension/maintenance allowance
2. Payment basis
3. One time/individual reports

For payment processing
4. Data entry for payment processing
5. Payment for doctor’s bill

The descriptions below correspond to the elements in table 12 (they are not arranged alphabetically).

Information in connection with welfare grants
a) Name and address information based on the p-number of the client and also information about the bank account number.

b) Children, in order to determine the number of children, and if there is a spouse (cohabitant). This information is for determining the family need.
c) Wages and assets shall be used for estimating need. Assets include both financial and fixed assets.

d) The national graduated tax levels will be used in setting a net grant, meaning that the grant is calculated after taxes have been deducted.

e) The municipality tax percent and child allowance per child (calculated using child allowance figures for the home municipality), shall be used in setting the net grant.

f) If illness is the reason for the application, the rate for maximum maintenance allowance (from the maintenance allowance system) can be a part of the calculation, so that a calculated grant will not be larger than the highest grant allowed.

g) The basic amount for a national pension can be a part of the calculation, so that the total welfare grant will not be larger than the basic amount for the national pension.

h) The health insurance payment will be one of the listed expenses.

i) If the grant requires a medical certificate, doctor information shall be available in connection with settling of the doctor’s bill (physician A/B tax liability; financial institution information of the doctor). The payment for the doctor shall be processed regardless of the status of the case.

j) If the grant requires a medical certificate, it shall be available and it should be possible for any consent information to be entered/registered in the system.

k) The rate list shall be used for several purposes, e.g. for “need description documents”, where fixed rates can be set by the computer, maximum amounts, percentage rates and other necessary figures. In addition to the needs assessment, the rate list can be used in connection with one-time/individual grants. The rate list is “date controlled” and thus alterations in the rates will have an impact on the need assessments and one-time/individual reports on a given day.

l) Registered expenses will be used when the needs assessment is carried out. Expenses will be attached to a “expense list”, which contains the kinds of detailed expenses that the Department of Social Services requires e.g. for statistics.

m) All grant payments will be attached to a set grant type, which has characteristic elements. Once the needs assessment is carried out, the system will set the kind of grant(s) based on the needs assessment document.

n) Repayment requirements can be stipulated in a grant to a client. The principle is that this option will be available in certain types of grants, whether the grant is registered automatically or manually. The details concerning repayment will be registered in the kind of grant, and if there are any special circumstances relating to this obligation of the client, then these will be entered into the grant record. At the same time as the grant is registered, the system will register a claim notation/record in the debtor system with reference to the case/payment basis.
o) The basis/justification of all grants and payments shall be connected to an act, regulation or guideline.

p) The system will contain a maximum limit for an unemployment benefit from the Employment Agency, and this amount can be a part of the needs assessment in a case where support is awarded due to lack of work possibilities.

q) The system shall contain amounts for certain fixed expenses, which are the same for all or for similar groups of clients, e.g. annual radio and television fees, national health insurance premiums etc. These can be a part of the needs assessment document.

s) If one-time/individual reports are to be entered/registered in addition to the automatic grant, then the grant will be connected to a grant type (with a set purpose). The kind of grant shall either be attached to a welfare description or to another grant-type description.

t) The user sets a commencement (first transaction) date, so that the system can locate the correct rate if a rate is attached to the grant.

u) The user sets relevant dates: date of commencement, payment intervals etc. The user also registers which kind of processing shall be used for the grant e.g. maintenance allowance processing, ad hoc processing etc.

x) If the kind of grant has a fixed rate attached, this will be used. If the kind of grant has a rate attached, the user will choose a rate. If no rate is attached to the grant, the user will set an amount.

y) If a one-time grant shall be paid to someone other than the client, then the grant shall be attached to a named creditor, containing the necessary information for transferring the grant to the payment system. This refers both to grants in Danish kroner and foreign currencies.

z) The basis/justification of all grants and payments shall be connected to an act, regulation or guideline.

**Setting of a welfare grant**

The whole case procedure of the case system will not be described here, but briefly the procedure is as follows: Based on the application for a welfare grant, a case is established and attached to a client. In addition, possible regulation information is attached to the case.

A payment justification/basis will be set based on the case. The payment basis contains, amongst other things, information on kind of case, grant information and other general information.

Based on the payment justification/basis, the user can gain access to the needs assessment document, which is attached to this kind of welfare grant. The system fills out fields based on defined formulas, while the user fills out the other fields e.g. the period of time the document is valid, expenses etc. Once all of the information is registered in the needs assessment document, the system will
calculate the total grant for the client and attach the grant to a grant type. The amounts are calculated as monthly grants.

Once the needs assessment has been approved, the needs assessment document will be used as the basis for payment of grants, and the system has to recalculate the division of the grant into days (30 parts) if the grant is for a shorter period of time than a month.

It may be possible that a client will not receive maintenance allowance or early retirement allowance for a period of time because processing drags out. During the processing time, the client may possibly receive welfare aid. If a decision on early retirement pension receives retroactive validation, it is possible that the two grants must be reconciled and a calculation to this effect carried out.

Rules and processing in connection with current accounts, charge backs etc. shall be a part of the system.

Payments of welfare grants

Payment will be processed in the joint processing system by choosing "welfare" in the payment batch and then beginning the processing.

Based on selecting a choice, (all, selected or groups), the system will locate the welfare payment basis, and processing of the individual client will commence.

The system re-calculates all periods of time up to the processing day (commencement day) and also uses valid rates and valid basic payments. As a part of the basic payment, the needs assessment documents will be used, and these are the basis for the grant flows that the client will be allocated. Both the payment basis and the needs assessment are controlled according to a valid to-and-from date. A recalculation is always carried out for the total time period. This means that previously processed payments will possibly be reconciled in the final sum and the difference will be paid. If reconciliations are carried out for previous time periods, these will be attached to the original grant.

Apart from regulations and changes in rates etc. payment days are multiplied by the daily grant rates, which are calculated in the needs assessment document. The results will be registered as a grant flow attached to a specified grant type.

Payment of a doctor's bill

Payments for possible medical certificates in connection with welfare will be processed separately.

Pensions

Pensions can be grouped as follows:

- National (Public) Pensions
  - Standard pension with opportunity for bonus
  - Standard pension without bonus

- Early retirement pension
- Highest level
- Average level
- Lowest level
- Child allowance to those with sole custody (is not actually a pension, but has always been treated in this context).

In order to receive a national public pension, the client has to be 67 years of age; to receive early retirement pension, the client has to be between 18 and 67 years of age. Child allowance paid to those with sole custody of children is granted for children who have lost either or both parents, and will be paid until the child reaches 18 years of age.

Pensions payments will be made in advance, meaning that the pension for January will be paid in December of the previous year, the pension in February will be paid in January etc.

The right to a pension depends upon whether the recipient of the pension has: Danish citizenship, is married to a Danish citizen, was married to a person with Danish citizenship in the most recent marriage, has permanent residence in the Faroes, has a contract with a ship registered in the Faroes, or has had permanent residence in the Danish kingdom at least 3 years from age of 15 to the year of the allotment of a pension.

A characteristic difference between a national public pension and a welfare grant is that a possible spouse has an impact on the pension grant, regardless of whether the spouse is a pensioner or not.

The next page has a chart containing things to be considered in connection with setting pensions.

*Table 13: Basis for pension payments*
Basis for pension payments

Basis for pension grants
  a. personal information
  b. single/spouse, children
  c. income information
  d. doctor information
  e. medical certificate/doctor's bill
  f. laws and regulations
  g. labour market rate
  h. medicine self pay (co-pay)
  i. admittance/residential home
  j. death
  k. abroad/partial pension (seasonal)
  l. countries, rates for various locations
  m. active/inactive
  n. family structure
  o. recipient of bonus for a child/children

Information linked to one-time/individual reports
  p. laws and regulations
  q. kind of grant
  r. creditors
  s. amount/rate
  t. commencement date
  u. payment frequency

Internal current account
  1. current account/ reconciliation among accounts
     (welfare/maintenance allowance)
  1. payment basis
     2. one-time/individual reports

For payment treatment
  3. Data entry for payment processing
  4. creditor transfers

The descriptions below correspond to the elements in table 13 (they are not arranged alphabetically).

Information in connection with pension calculation
  a) Personal information: p-number, name, address, postal code, municipality and country.
b) Personal situation refers to information on a possible spouse and children younger than the age of 18 for which the client is guardian (own children or the children of others). Because the pension grant amounts depend upon whether the client is married or not, information regarding the income of the spouse is very important. If there are children in the family, a person is entitled to receive a child allowance.

d) Income information is information on income status of both the client and any possible spouse. The income shall be grouped according to kind of income, so that the system will be aware of possible differences in processing different kinds of income. The Faroese Customs and Tax Authorities provide the income information by agreement with the Department of Social Services. It shall be possible to receive income information on all clients (although only for clients where the Department of Social Services needs information), including groups of clients or specific clients.

Normally, this refers to income information that the Custom and Tax Authority has finalised. This means that the income information for a certain tax-year is not finalised until the February of the following year and that changes to the final assessment for a client can sometimes drag out. In those cases the Department of Social Services can choose to use the old income basis, or, in some cases, register a temporary income. Thus, in some cases the Department of Social Services may choose to ignore the income information from the Faroese Custom and Tax Authorities, and instead register its own (future) assessment.

e) When a doctor has issued a medical certificate in connection with an early retirement pension, he will be paid for the medical certificate. Information on p-number/a-number, name and address information, whether he is A/B tax liable and bank account number, shall be used.

f) A medical certificate in connection with an early retirement pension leads to payment to the doctor for the certificate. In addition, the certificate is entered in the client record (case system).

g) Justification/basis for all grants and payments shall be connected to an act, regulation or guideline.

h) Rates for grants from the Joint and Several Labour Market Pension Fund. This means that the system will know what the client will receive in pension from the fund, if the client has turned 67 years of age. The income from the fund is not a part of the income foundation for pension, but is a part of the income basis, when assessing the medication co-pay. If and how the income from the pension fund will be affected, will be stipulated in the system.

i) All pensioners have a right to support for “doctor prescribed medication”. In this connection, the pensioner pays a co-payment premium per quarter, commencing before the support is given. The co-pay is currently 200, 400 or 600 kroner. The co-pay amount is determined by income information on the client, and it will be possible to set up a formula for this determination. The co-pay and support level determination are not part of the payment of grants, but will be handled in a special communication between the Department of Social Services and the Pharmacy System. Support for medication will be examined closely later.
j) If a pensioner moves to an institution/retirement home or is admitted to the hospital for a longer period of time, the calculated grant can be altered. If it is a public institution/retirement home, the grant amount will be altered and if the spouse (pensioner) continues to live at home, he/she will be seen as a single pensioner.

If a pensioner, who lives in his own home, is admitted to hospital for a long period of time, the pension grant can diminish according to the number of hospitalisation days. These are data that will be attached to the institution.

k) If a pensioner dies and the spouse also is a pensioner, the surviving pensioner receives both his own and the pension of the deceased for a period of 3 months. After this period, the pension amount of the surviving pensioner, will be altered into the rate for a single pensioner.

I) If a pensioner has lived more than 3 years in another Nordic country (not including Denmark and Greenland) from the age of 15 to 67 years, he has a right to a pension from the other country proportionately in relation to the time of residence in that country. In brief, this means that the pension grants can be reduced in relation to the basic rate. Also the system has to consider the possibility of limitation of grants when a partial pension is involved.

k) Countries play in the main a role in connection with payment of allowances. Allowance rates in other countries are connected to allowance rates in the Faroes. Special characteristics such as pension agreements should be registered in each country (partial pensions), and creditor names shall be attached to the country list. In this situation, the currency information shall also be attached to the country list.

I) Case details/remarks shall be handled indirectly in the case system to enter information on circumstances, status on the payment justification/basis, e.g. approved, rejected, waiting etc.

m) Family information shall be used in conjunction with grant justification/basis. A case family consists of two people who influence the case (affect the basic payment). The case family can be the pensioner, the pensioner and the spouse who also receives a pension. If the family has children under the age of 18, these are part of the case family.

n) If there are children in the case family, a person is entitled to receive a child bonus. The child bonus can be paid to either of the parents (and in special cases to both the parents). The child bonus can also be transferred directly to the child. Child bonuses shall always be recorded under the p-number of the child.

p) Justification/basis for all grants and payments shall be connected to an act, regulation or guideline.

q) If one-time/individual reports shall be entered into an automated grant record, the grant will be attached to a specified grant type. The kind of grant shall either be attached to the welfare description or to another general description.
r) If the one-time grant shall be paid to someone other than the client, the grant will be attached to a creditor, containing the necessary information so that the grant can be transferred to the payment system. This refers to both grants in Danish kroner and in foreign currencies.

s) If the kind of grant has a fixed rate attached, this will be used. If the grant has no rate attached, the user will choose a rate. If no rate is attached to the grant, the user will set an amount.

t) The user appoints a commencement date (valid date) so that the system can locate the correct rate if a rate amount is set for this type of grant.

u) The user sets a commencement date, payments intervals etc. Also the user registers what kind of processing to use for the grant, e.g. maintenance allowance processing, ad hoc processing etc.

**Child maintenance**
Child maintenance can be paid to providers of children, whose parents do not live together. This is support that the Department of Social Services pays out on behalf of the actual parent who has financial responsibility for the child. The parent who has responsibility (duty) to a child must repay this support money back into the system.

Child maintenance will be paid to the foster carer, but the payment will be registered to the p-number of the child. The system shall take into consideration that more than one person can have financial responsibility for the same child.

In connection with child maintenance, the case family will be connected to the financially responsible parent/provider, and financial liability for the children recorded in this person's record.

The system can probably not set the payment automatically using the payment basis when dealing with a reoccurring grant. Instead the grant (grants) will be registered as individual reports, attached to the payment basis of the child with reference to the case in the case system. In addition to child maintenance there can be other one-time grants e.g. payment for church confirmation.

The kind of grant shall contain elements that, among other things, will be used for determining if the grant shall be registered for reimbursement in the debtor system, and which kind of grant shall be used.

For grants that have to be reimbursed, the liability shall be attached to the grant in the debtor list, and the system shall at the same time register a demand in the debtor system payable by the person financially responsible.
Table 14: Payment basis for child maintenance

**Payment basis for child maintenance**
- a. Personal information (mother)
- b. Personal information (child)
- c. Personal information (father, debtor list)
- d. Information from the High Commissioner’s Office
- e. Laws and regulations

**Information linked to individual reports**
- p. laws and regulations
- q. kinds of grants
- r. amounts/rates
- s. commencement date
- t. payment frequencies/intervals
  - 1. payment basis
  - 2. individual reports

**To the debtor system**
- 3. demands to father

**For payment treatment**
- 4. Entry for payment processing
- 5. creditor transfers
The letters below correspond to the letters in table 14 (they are not arranged alphabetically).

*Information in connection with child maintenance*

**a)** Information on provider/carer/foster carer: name, address and bank account number.

**b)** Information on child (children): name, address and possible bank account numbers.

**c)** Information on the person with support obligation: name, address (information from the debtor list).

**d)** Information from the High Commissioner’s Office, which serves as a basis for payments and reimbursement demands towards the person with support obligation.

**g/p)** The justification/basis for all payments shall be linked to an act, regulation or guideline.

**q)** If individual reports are registered via an automatic grant, the grant shall be attached to a certain grant type. The kind of grant shall be attached to a child maintenance description.

**s)** If the kind of grant has a fixed rate attached, this will be used. If the kind of grant has a rate schedule attached, the user will choose a rate. If no rate is attached to the grant, the user will determine an amount.

**t)** The user determines a commencement date (valid date), so that the system can locate the correct rate, if a rate is attached to the grant.

**u)** The user sets a date when the grant will first be paid and the payment interval. Also the user registers what kind of processing will be used for payment of the grant, e.g. maintenance allowance processing, ad hoc processing etc.

Notice: Point 3 of the table “Father’s child support obligation” shall be “Individual’s child support obligation”

*Payment for medical certificates*

In connection with maintenance allowance, welfare and early retirement pension, medical certificates can be required as a part of the background information.

The doctor will receive payment for each medical certificate issued. The system shall register “Payment for medical certificate” in connection with the payment basis and the case in the case system. Depending on whether the doctor is A-or B-tax liable, the “Doctor payment” will be registered as a creditor kind of payment, which is either taxable or not. Once the grant payment is processed, the user will
choose “Doctor payment” and the system will process all the medical certificates in the same manner as other payments.
Processing and payment procedure

Table 15: Payment procedure
Department of Social Services

Payment processing
1. Setting batch choice, processing type etc.

a. Batch for processing of grants
   Basis for payments
b. payment basis
c. manual reports
2. Calculation of grants, balancing, decision making of -, annulment etc.

Calculated grants

History information

Payment and processing
d. Payment basis
e. Calculated grants

3. Transfer to data warehouse
4. Transfer to payment system
6. Transfer to FSL (National Finance Office) main bookkeeping system
f. Data warehouse
g. Wage transactions
h. Creditor transfers
i. Bookings

Føroya gjaldstova [the exchequer]

FSL payment system
8. Reading and validation
7. Reading and validation
8. Reading and validation
a. Payment system/wage transactions
f. Payment system/creditor transfers
g. FSL main bookkeeping system/ GL interface
8. For payment
10. For booking

Description of the procedure in connection with grant payments

Below is described the payment procedure, from the time the user processes the payment and until the payment has been transferred and processed in the FSL payment system and the FSL main bookkeeping system.

This solution includes transferring of information via files, which will be read into the system of the Department of Social Services. A solution with direct communication between the systems would have been better for The Department of Social Services, because this would have increased the opportunity for validating the information before moving it to the FSL systems. Also the Department of Social Services could have updated the system in a more flexible manner, e.g. account strings/flows, name information from the individual list, and not least to correlate payment transactions with payments of the Department.
Currently Føroya gjaldstova does not intend to allow direct communication between the systems of the Department of Social Services and the Gjaldstova. Instead information to the FSL payment system and its main bookkeeping system shall be moved as files, which will be read into an interface for the purpose. Procedures on how and where the files will be moved will be stipulated in an agreement with the Gjaldstova.

Currently there is no information moved back to the Department from the payment system of Føroya gjaldstova when the processing has occurred via files. The Department of Social Services desires that information on paid tax, The Faroese Employment Agency records, maternity pay (including rejections and reasons) be moved electronically to the Department of Social Services, giving them an opportunity to update clients with e.g. paid taxes and other payments. Also it would be possible to correct errors in the system of the Department of Social Services, e.g. wrong bank account number.

The figures and descriptions below correspond to the figures and terms in table 15.

1) Establishing a payment batch
The purpose of establishing a payment batch is to attach certain payments and connected information, so that a payment-processing run is always attached to a batch. The communication with other systems, e.g. the FSL payment system and the FSL main bookkeeping system will always be based on the batch.

The batch contains all direct and indirect information connected to payment processing.

The registration ("a") in connection with founding a batch, and which will be saved in the list.

- The system allocates unambiguous batch numbers, which increase by 1 for each batch.
- The user prescribes the kind of processing run (pension, welfare, maintenance allowance, medical certificate, child maintenance etc.).
- The user chooses all clients, client groups, certain processing journals (e.g. bonuses to certain pensioners or creditor transfers) or certain people.
- The user sets the type of processing run (ad hoc, weekly-and/or monthly run).
- The user sets the commencement date.
- The user sets the payment date.
- The system registers an event, which contains information on when, who and kind of event withdrawal initiated.

2) Calculation of grants
The purpose is to calculate grants to clients based on the selection of point 1. The grant basis per clientele is the payment basis including individual reports. Depending on the kind of processing run, the content of the payment basis differs, e.g. the payment basis for maintenance allowance contains other information than just the payment basis for pensions. In brief it can be said that the payment basis contains the necessary information, for the system to be able to set grants automatically, based on the attached information. Individual reports contain grants that already have been set, either manually or by the computer system.

A batch and attached events can never be cancelled.

Registrations and events, which are attached to the calculation of grants, and which will be saved:
• Based on the payment basis ("b") and individual grants ("c") (typed in grants), the system calculates client grants. Depending on the kind of processing run, different ways of calculating will be used. The basis for the different kinds of calculations will be described elsewhere.

• The basis for all payments contains a period of time. This means that if there is a change in the time period information, either a new payment basis will be set, or alterations will made to the payment basis.

• The main results will be saved in the payment basis ("d") and in the grant flows ("e"), meaning one payment basis per person per kind of processing run (and if more than one ‘a-number’ is used, this can create more payment bases per person). For each payment basis there is one or several grant lines/flows, depending on which grants have been approved for the client.

• In addition to the main results, several (help) functions should be used.

• All events in connection with the processing run will be registered as independent events with key figures attached to the batch. Which kind of events a calculation creates cannot be analysed here, because it depends upon the structure of the run. If the calculation is divided into phases, an event could be registered per phase.

• The calculation results in updating the batch with key figures, e.g. number of persons, number of errors, lost amounts, tax liability amount, holiday pay, temporary booking amount (possibly there has to be room for calculated tax), the Faroese Employment Agency payments, maternity payments and amount to creditors). These key figures can be used for the first part of the balancing/reconciliation, in addition to being used as a document proof of the run. All events in connection with the run will be registered as independent events attached to the batch.

• The calculation shall, depending on the kind of grant (taxable/non taxable), create a payment grouping per kind/client. This means that the same person can receive two payments per run, one for taxable grants and one for non-taxable grants.

• Based on the calculation run process, it will be possible to receive different balancing/reconciliation lists (either on a screen or on printout). Once the reports have been transferred, this will be registered in the event lists along with information on who, when, kind of report and key figures from the report.
  o Analysing lists per client, along with information on person, kind of main grant, key information from payment basis, financial institution information, detailed grant lines/flows with information on kind, amount etc. in addition to summaries with separate details on tax liability, income amounts and holiday pay.
  o Payment lists per financial institution.
  o Creditor list
  o Error list.
    o Reconciliation list, which shows the total payment compared to booking (total bookings).
    o Temporary detail booking list, which shows all the grants (clientele) per account line/type.
    o Free transcripts/reports/printouts, which the user can put together based on kind of grants.

• Once the run has been examined and balanced, a decision will be taken on the result. The person responsible certifies the run or reverses the run. This will be registered in the events list. If the run is approved, the batch will be locked, and it will not be possible to reverse the run. The batch will be allocated an unambiguous run number. In connection with approval, the system will update grant justifications/basis, e.g. time-limited grants shall be cancelled/summed up etc. If the run is cancelled, all results will be cancelled without being entered in the batch and the events list, and the batch will be locked.

3) Transfer to data warehouse
The goal is to transfer information to a data warehouse, which can then be used for supplying statistics, key figures and historic information. Users of this information are the management and employees of the Department of Social Services, the Ministry of Health and Social Affairs, politicians and citizens.

The information is organized in a way that makes it easy to gather in a quick and reasonable manner. The data warehouse ("f") will be comprised of one or several data martels, which will be compounded with dimensions and cubum. Depending on which information (internal/external) will be put into the data warehouse, it can be decided how the transfers will proceed, e.g. in connection with payment processing or daily/weekly/monthly transfers.

4) Transfer to the payment system

The purpose is to treat grants to be paid via the FSL payment system. The FSL payment system will then transfer the money, either cleared directly or through the Faroese Customs and Tax Authorities (taxable grants).

Before a transfer can be carried out, the process run has to be approved and released by an authorized person, and the approval will be registered as an event.

The transfer of payments will be transferred to the FSL payment system via a file. No information will come back from the FSL payment system to the Department system. If the transfers, for one reason or another, cannot be transferred from the FSL payment system for treatment (non-functioning p-number, wrong financial account or not functioning) the necessary changes will be carried out in Føroya gjaldstova so that the transfer can be processed.

Registrations and events in connection with transfers to the FSL payment system:
- The system groups payments per client into taxable and non-taxable grants. (In either of these cases the total cannot be negative).
- Which money account to charge for payments, will be stipulated in the FSL payment system.
- Based on non-taxable grants, the payment file ("h") will be put into the FSL_creditor_payment system, which, among other things, will contain (a file layout that will be described in more detail):
  - A start line (information stipulated by FGJ (Gjaldstova?).
  - Transfer number from the Department of Social Services (unambiguous).
  - Batch number.
  - Detail lines/flows:
    - P-number.
    - Name of client.
    - Registration number and account number of financial institution.
    - Amount for payment.
    - Joint text for complete payment grant.
    - Payment date.
    - Other possible characteristics requested by FGJ.
  - End line (information stipulated by FGJ).
- Based on taxable grants, a payment file ("g") will be made for the FSL payment system. The file will contain (file layout will be described in more detail):
  - Start line (information stipulated by FGJ).
  - Transfer number from the Department of Social Services (unambiguous).
  - Batch number.
  - Detail lines/flows:
    - P-number.
    - Name of client.
    - Registration number and account number of financial institution.
- Amount for payment (amount received).
- Non-taxable amount.
- Bank registration number and account number for holiday pay. bank.
- Holiday pay.
- Joint text for complete payment grant.
- Payment date.
- Other possible items/information requested by FGJ.

  - End line (information appointed by FGJ).

- The batch will be updated with information on created payment files.
- Creation of payment files for the FSL system will be registered as events in the events list with, among other things, information on key figures (total number, number of files etc.), as well as when the events occurred and who carried them out.
- Information on paid tax etc.
- In connection with reading of payment files, FSL books the payment system on the current account (complete booking for public expenses) and in a financial institution (bank) account.

5) **Transfer to FSL main bookkeeping**

The purpose is to book expenses of public grants on the expense account of the Department of Social Services in the main bookkeeping system. As a counter posting (double bookkeeping credit/debit), the total amount will be off-set in a current account.

Registrations and events in connection with transfer to the FSL main bookkeeping system:

- The system creates a millumskrá background list, which contains booking lines attached to the individual grant lines, meaning booking details per client and grant lines.
- Based on the booking details, complete bookings will be created, meaning a booking line per unified booking account (possibly also per commencement date).
- The system validates the booking lines against the internal booking list (if this list is not accessible in the FSL system).
- The user balances the booking result, and if need be, the booking result will be cancelled and the event will not be registered. Necessary corrections will be carried out in the booking layout. Then bookings will be created again.
- If the booking is approved by the Department of Social Services, a booking file will be created, which then will be sent to n to be read.
- The file ("i") will, among other things, contain (the file layout which will be described in more detail):
  - Header with, among others, information on file number, dates.
  - Detail information with, among others:
    - Expense bookings.
      - Account segments (account strings).
      - Amount.
      - Other fields, requested by FGJ.
    - Counter booking(s) (off-setting).
      - Account segments (account strings).
      - Amount.
      - Other columns, requested by FGJ.

- The batch will be updated with key information on the booking file.
- Event(s) will be registered in the events list, which will contain key figures etc. in connection with creating a booking file.
- Føroya gjaldstova will read the booking file into the interface (Gl_interface) and will validate the file in connection with reading it.
- Bookings will be booked into the main bookkeeping system, and possible error bookings will be booked into a error account.
• No electronic booking information will return to the system.

6) **Reading and validation, wage transactions**
The file with taxable payment transfers (one record per client), will be transferred to Føroya gjaldstova upon agreement. Employees of Føroya gjaldstova will read the file into the correct interface for the purpose, and the content will be validated. If there are errors or problems in connection with the reading into the interface, the Department of Social Services will receive information on this and the necessary corrections will be carried out. Subsequently, a new file will be sent to Gjaldstova. Errors at this stage can be e.g. wrong wage file, lack of information or other basic errors that should not occur.

7) **Reading and validation, non-taxable grants (creditor transfers)**
The file with non-taxable payment transfers (one record per client), will be transferred to Føroya gjaldstova upon agreement. Employees of Føroya gjaldstova will read the file into the correct interface for the purpose, and the content will be validated. If there are errors or problems in connection with the reading into the interface, the Department of Social Services will receive information on this and the necessary corrections will be carried out. Subsequently, a new file will be sent to Gjaldstova. Errors at this stage can be e.g. wrong payment file, lack of information or basic errors that should not occur.

8) **Reading and validation of bookings**
A file with expense bookings will be transferred to Føroya gjaldstova for processing. Føroya gjaldstova will read the file into the correct interface (G1.interface) for the purpose. In connection with reading the file into the interface, the file will be validated for, among other things, for correct identification (file number) and further, for instance, if the layout and fields are correct (organization etc.).

9) **For payments**
9.1 **Taxable transfers**
Taxable payment transfers will now be read from the interface into the payment system itself (wage transaction) and will be ready for processing. Payment transfers will now be validated by, among other things, checking to see if the p-number is active/correct, that registration number and account number are correct, and if the earned amount, taxable amount and the holiday pay correspond.

Payment will then be transferred to the Faroese Customs and Tax Authorities for taxation and further processing by (banks) financial institutions (clearing).

The payment system books into the current account and the (bank) financial institution account once the payment processing is carried out.

If there are transfers that cannot be processed between Føroya gjaldstova and the Faroese Customs and Tax Authorities due to errors, these transfers will be corrected in the payment system and subsequently transferred to the Faroese Customs and Tax Authorities for processing. This means that all transferred transactions from the Department of Social Services are always considered to have been processed, and that the Department of Social Services does not carry out alterations/corrections in the system once the payment transfers have been transferred to Gjaldstova.

9.2 **Non-taxable transfers**
Non-taxable transfers will now be read from the interface into the payment system (creditors), and are ready for processing. The payment transfers will now be validated by, among other
things, checking to see if the p-number is active/correct, the registration number and the account number are correct, the country code and abbreviations are correct etc.

The payments will then be transferred to the (banks) financial institutions (clearing) via Elektron.

If there are transfers that cannot be processed between Føroya gjaldstova and the financial institutions (banks) due to errors, these transfers will be corrected in the payment system and subsequently transferred to the Faroese Customs and Tax Authorities for processing. This means that transferred transactions from the Department of Social Services always are considered processed, and that the Department of Social Services will not carry out any alterations/corrections in the system after the payments have been transferred to Gjaldstova.

10) Booking

The booking transactions will now be booked in the FSL main bookkeeping system and possible errors (wrong account strings etc.) will be booked into the “error account”.

No information will be transferred back to the Department of Social Services.

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**Table 16: Summary of payment processing**

**Tax calculations???”
<table>
<thead>
<tr>
<th>Divisions</th>
<th>EDP division</th>
<th>FGJ</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Faroese Custom and Tax Authorities/Elektron</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Calculation of grants  
Renewal of payments (status)  
Transfer to payment  
Booking into the current account  
Transfer creditors to payments  
Booking into the current account  

To processing  
GL interface (Main bookkeeping system)  
Payment system (taxation)  
GL interface (Main bookkeeping system)  

Recalculation  
Confirmed errors  
Expense booking  
Expense booking, GL interface (Main bookkeeping system)  

Tax calculations  
Tax, Faroese Employment Agency, maternity payment  
Clearing  
Transfer to client’s bank account  
Clearing  
Transfer to creditor’s bank account  

**Bonuses-supplemental payments for certain pensioners**  
This section refers to specific support, which is provided pensioners three times annually. Certain pensioners and other people who receive continuous grants according to the Public Assistance Act have the right to a bonus. Married pensioners receive one bonus jointly.
Fuel and communication support

a. personal information
b. marital/family status
c. payment basis
d. pension approval date
e. income
f. residential home
g. information on kind of pension
h. country of residence

1. Approval/setting of support
   i. payment data/journal
   j. individual reports

Table 17: Bonuses for certain pensioners

The letters below correspond to the letters in table 17.

Information that has an influence or is part of the calculation

a) P-number, name and address information.

b) If the pensioner is single or married.

c) That there is a payment basis attached to the pension description or welfare grant, (for continuous grants).

d) When the application for a pension has arrived and been approved. This is important in order to confirm that the client has a right to the bonus.

e) Income information and income limits in order to find the correct support rate.
f) If the client lives in an institution, he or she will not receive a bonus. If the client is married to a pensioner who lives in an institution, the person living at home will receive support as a single person.

g) Information and elements pertaining to the kind of grant that will be used for payment of a bonus.

h) If the client lives abroad, the bonus will not be granted.

Once the bonus is paid, a process run will be carried out, which will process all clients who have the right to this bonus. The system will, based upon available information, calculate and set the bonus with regard to the information that has importance for the calculation (please see above). The results of the process run will be saved in a journal (rough draft), which the employees of the Department of Social Services will examine. Subsequently, they can approve the journal, alter the journal, or delete the journal. Everything carried out in connection with the calculation, possible alterations or deletion will be logged.

The system will use rate lists, income limits and layout lists in connection with the calculation of the bonus, so it will be easy to alter the calculation conditions.

i/j The results of the calculations will be saved as individual/one-time grant lines attached to a journal.

Payment of bonus
The approved journal will then be selected in a monthly or extra run, and will be a normal part of the payment processing run, either as an individual run or as a part of a larger payment run.

Medicine support
The system shall also contain the possibility of granting medication support according to the Pension Act for pensioners and for others according to The Public Assistance Act § 18 and 17. The procedure is that the Department of Social Services supplies the Pharmacy System with information about their client who has the right to medication support. This included which medication they have a right to (§ 18 and § 17), and what the co-pay is per quarter. Pensioners have the right to support for all the medications that the doctor prescribes to them.

It is desirable that the Pharmacy System enlarges their system so it will be possible to communicate about all kinds of medication approvals electronically. It would be preferred to have this communication happen on application, rather than how it is currently, where there is only a general consent per authorization (§ 18) and no communication regarding §17. It is necessary that all communication, both from the Department of Social Services and from the Pharmacy System, be electronic. The Pharmacy System will receive all information per application, meaning medications and groups of medications. The information from the Pharmacy System will refer to the consent/application, which originally comes from the Department of Social Services, so that the Department of Social Services has the opportunity to check and approve paid support, compared to given consents/approvals.

§ 18 and § 17
Support according to § 18 and § 17 means that an application on support will be sent to the Department of Social Services from clients, and the application will be processed by the Department of Social Services and a counsellor/advisor (doctor). If the application is approved, it will be registered in the system as to which kind of medication the approval includes, either a specific medication or a medication group.
Table 18: Basis for medication support § 18 and § 17

**Basis for medication support § 18 and § 17**

- a. personal information
- b. children § 17
- c. application
- d. doctor assessment
- e. determine co-payment
- f. consent and stipulation of medication § 18
- g. guardian
- h. children
- i. consent/approvals for certain medicine § 17
- j. support consents

**Information for the Pharmacy System**

- k. new consents/approvals
- l. altered consents
- m. withdrawal of consent

The letters below correspond to the letters in table 18.

*Information, for use in connection with § 18 and § 17 support*

Sent 06.06.2006
a) P-number, name and address information of the applicant or guardian of a child.

b) P-number and name information of child, who will receive support according to § 17.

c) Application for support, and what kind of medication.

d) Doctor assessment on need for medication.

e) Co-pay, if referred to support according to § 18 (support according to § 17 has no self-pay).

f) § 18 consent on medication, kind of medication (grouping). How long the consent/approval is valid (from and to date).

g) If the grant is for a child (§ 17), the parent or guardian will be registered.

h) The child, who will receive support for medication according to § 17.

i) § 17 consent for medication, kind of medication (grouping). How long the consent is valid (from and to date).

j) Information for the Pharmacy System, on which person will receive medication support, which kind of medication, according to which authorisation (§ 18 or § 17), and how long the consent/approval is valid and possible quarterly co-payments.

k) New consents/approvals will be registered in the Pharmacy System.

l) Alterations to current consents/approvals will be carried out.

m) Current consent/approval will be cancelled.

Medication support, pensioners

All pensioners have the right to medication support for all medications prescribed by a doctor. Unlike § 18, the co-payment will be set based on the income of the individual pensioner. Currently the co-payments are 200, 400, or 600 Danish kroner per quarter. It shall, however, be possible to set the co-payment of a client to 0 Danish kroner.
Table 19: Medication support, pensioners

**Medicine support, pensioners**

*Basis for ascertaining of medication payments to pensioners*

- a. personal information
- b. payment basis
- c. income information
- d. AME income (Labour Market Supplemental Pension Fund)
- e. Set co-payment
- f. Income limit
- g. Income information
- h. Residential home

1. **Setting co-payments**

   i. Information for the Pharmacy System

   **Information to the Pharmacy System**

   - j. new consents/approvals
   - k. altered consents
   - l. withdrawal of consent

The letters below correspond to the letters in table 19.

**a)** Personal information: p-number, name and address information.

**b)** Payment basis, so that the system can locate all pensioners.

**c)** Income information in order to set co-payment. In the system it will be possible to set up which income information and social grants shall affect the co-payment.

**d)** Income from the Labour Market Supplemental Pension Fund, which affects the co-payments.

*Sent 06.06.2006*
e) Possible to set co-payment.

f) Income limits for spouses and single people, in order to determine the co-payment.

g) Income information from the Faroese Customs and Tax Authorities and which of these shall affect the co-payment.

h) If the pensioner lives in an institution/retirement home. If the pensioner receives an allowance, he will receive medication from the institution, and therefore the Department of Social Services will not transfer consent/approval to the Pharmacy System.

i) The Pharmacy System will then receive information on p-number, name and address, in addition to information on what kind of consent/approval is referred to (§ 6, pension consent), and what the co-payment is. Since all pensioners have the right to support, it is not necessary give details for the kinds of medications.

j) New consents/approvals will be registered in the Pharmacy System.

k) Alterations to the current consents will be carried out, in this case it refers to changes in the co-payment.

l) Current consent/approval will be invalid.
**Interface to the FSL payment system**

Payments via the FSL payment system.

Registered cases are transferred via a file. The procedure concerning transfer of payment files will be arranged with Føroya Gjaldstova. The file can contain both creditor and wage transfers.

The payment file is constructed with a starting line, detail line and, lastly, an end line.

Below the content is described:

*Start line*

<table>
<thead>
<tr>
<th>Field name</th>
<th>Format, length</th>
<th>Position</th>
<th>Optional Forced</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record number</td>
<td>num(8)</td>
<td>1</td>
<td>F</td>
<td>Record number. Continuous numbering of records in the file</td>
</tr>
<tr>
<td>record type</td>
<td>char(2)</td>
<td>9</td>
<td>F</td>
<td>Record type. Value=“10” for start record.</td>
</tr>
<tr>
<td>For_system</td>
<td>char(20)</td>
<td>11</td>
<td>F</td>
<td>Identification for system. FGJ allocates the global uniform ID in the system. Each institution system can have several. Each credit module in Financials has its own system ID. For entries, each for system has its own creditor current account in the central finance system. This account will be located by system number and Xp-Xp-tables.</td>
</tr>
<tr>
<td>Senders date</td>
<td>char(8)</td>
<td>31</td>
<td>F</td>
<td>Date for senders generating of file. Format =DDMYYYY</td>
</tr>
<tr>
<td>Sends file no.</td>
<td>num(6)</td>
<td>39</td>
<td>F</td>
<td>Senders continuous file number. This is a number row per system, please see system_no.</td>
</tr>
<tr>
<td>Senders name</td>
<td>char(30)</td>
<td>45</td>
<td>F</td>
<td>Institution name of sender, which is only information and will not be read into the payment function.</td>
</tr>
</tbody>
</table>

*Detail lines for creditor transfers*

<table>
<thead>
<tr>
<th>Field name</th>
<th>Format, length</th>
<th>Position</th>
<th>Optional Forced</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>record number</td>
<td>num(8)</td>
<td>1</td>
<td>F</td>
<td>Record number. Continuous numbering of records in the file</td>
</tr>
<tr>
<td>Record type</td>
<td>num(2)</td>
<td>9</td>
<td>F</td>
<td>Record type. Value=“51” for creditor payment detail record.</td>
</tr>
<tr>
<td>Senders A number</td>
<td>num(6)</td>
<td>11</td>
<td>F</td>
<td>The A-number of the institution. Each institution can have several A-numbers.</td>
</tr>
<tr>
<td>Payment type</td>
<td>char(15)</td>
<td>17</td>
<td>O</td>
<td>Payment type. E.g. “Investment support”, “Creditor”, etc.</td>
</tr>
<tr>
<td>Payment manner</td>
<td>char(15)</td>
<td>32</td>
<td>F</td>
<td>• Payment manner, which can have the values: “BANK/GIRO” for bank or giro</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• “BANK” for bank or giro</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• “GIRO” for bank or giro</td>
</tr>
<tr>
<td>Field</td>
<td>Type</td>
<td>Length</td>
<td>Options</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------</td>
<td>--------</td>
<td>---------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Cred_type</td>
<td>char</td>
<td>15</td>
<td>O</td>
<td>Creditor type</td>
</tr>
<tr>
<td>Cred_cred_no</td>
<td>char</td>
<td>16</td>
<td>O</td>
<td>Recipients creditor number.</td>
</tr>
<tr>
<td>Cred_serial_number</td>
<td>num</td>
<td>6</td>
<td>O</td>
<td>Recipients id. Refers to serial number SRNO in the person and company reg.</td>
</tr>
<tr>
<td>Cred_name</td>
<td>char</td>
<td>60</td>
<td>F</td>
<td>Recipients name.</td>
</tr>
<tr>
<td>cred_address1</td>
<td>char</td>
<td>60</td>
<td>O</td>
<td>Recipient 1. address line</td>
</tr>
<tr>
<td>cred_address2</td>
<td>char</td>
<td>60</td>
<td>O</td>
<td>Recipient 2. address line</td>
</tr>
<tr>
<td>cred_address3</td>
<td>char</td>
<td>60</td>
<td>O</td>
<td>Recipient 3. address line</td>
</tr>
<tr>
<td>cred_postal_number</td>
<td>char</td>
<td>10</td>
<td>F</td>
<td>Recipient postal number</td>
</tr>
<tr>
<td>cred_town</td>
<td>char</td>
<td>25</td>
<td>F</td>
<td>Recipient town name.</td>
</tr>
<tr>
<td>cred_country</td>
<td>char</td>
<td>25</td>
<td>O</td>
<td>Recipients country</td>
</tr>
<tr>
<td>cred_country_code</td>
<td>char</td>
<td>4</td>
<td>O</td>
<td>Country codes, where The Faroese is “FO” and Denmark is “DK”. Default The Faroes.</td>
</tr>
<tr>
<td>cred_reg_no</td>
<td>num</td>
<td>4</td>
<td>O</td>
<td>Recipients bank registration number. Must be filled out if cred_account_no is filled out.</td>
</tr>
<tr>
<td>cred_account_no</td>
<td>char</td>
<td>20</td>
<td>O</td>
<td>Recipients bank or giro account number. Must be filled out, if kred_reg_nr is filled out.</td>
</tr>
<tr>
<td>due_date</td>
<td>char</td>
<td>8</td>
<td>F</td>
<td>Due date for payment. Format DDMMYYYY.</td>
</tr>
<tr>
<td>Document_no</td>
<td>char</td>
<td>16</td>
<td>O</td>
<td>Document number, which comes from creditor modules.</td>
</tr>
<tr>
<td>Currenty_code</td>
<td>num</td>
<td>2</td>
<td>F</td>
<td>States the currency code. Is used to indicate whether the transaction already has been paid by the manual “foreign currency” procedure. Possible values: 00= Home currency, 01=Foreign currency.</td>
</tr>
<tr>
<td>currency_info</td>
<td>char</td>
<td>10</td>
<td>O</td>
<td>States currency (e.g. “DKK”, “SEK” etc.). Default will be used “DKK”.</td>
</tr>
<tr>
<td>invoice_amount</td>
<td>num</td>
<td>16</td>
<td>F</td>
<td>Amount for payment (in coins).</td>
</tr>
<tr>
<td>invoice_number</td>
<td>char</td>
<td>30</td>
<td>O</td>
<td>Invoice number from creditor for use on advice.</td>
</tr>
<tr>
<td>invoice_date</td>
<td>char</td>
<td>8</td>
<td>O</td>
<td>Invoice date from creditor for use on advice.</td>
</tr>
<tr>
<td>invoice_client_no</td>
<td>char</td>
<td>16</td>
<td>O</td>
<td>The institution's client number of creditor for use on advice.</td>
</tr>
<tr>
<td>invoice_ocr</td>
<td>char</td>
<td>16</td>
<td>O</td>
<td>OCR-code on giro from creditor. Use for payment file for Giro.</td>
</tr>
<tr>
<td>language_code</td>
<td>num</td>
<td>2</td>
<td>O</td>
<td>Language code for control on advice. Default “Faroese”. 01=Faroese, 02=Danish, 03=English.</td>
</tr>
<tr>
<td>advice_text1</td>
<td>char</td>
<td>200</td>
<td>O</td>
<td>Free text for print out on advice, printed by FGJ. First line.</td>
</tr>
<tr>
<td>advice_text2</td>
<td>char</td>
<td>200</td>
<td>O</td>
<td>Free text for print out on advice, printed by FGJ. Second line.</td>
</tr>
<tr>
<td>org_invoice_amount</td>
<td>num</td>
<td>16</td>
<td>O</td>
<td>The invoice's original amount.</td>
</tr>
<tr>
<td>fi_card-type</td>
<td>char</td>
<td>2</td>
<td>O</td>
<td></td>
</tr>
<tr>
<td>fi_card_payer</td>
<td>char</td>
<td>15</td>
<td>O</td>
<td></td>
</tr>
<tr>
<td>fi_creditor_no</td>
<td>char</td>
<td>8</td>
<td>O</td>
<td></td>
</tr>
<tr>
<td>demm_tax</td>
<td>char</td>
<td>4</td>
<td>O</td>
<td>Tax year (used in DEMM).</td>
</tr>
<tr>
<td>vendor_id</td>
<td>num</td>
<td>15</td>
<td>O</td>
<td>Vendor Id from the creditor system in</td>
</tr>
</tbody>
</table>
### Detail lines for wages lines (all currency figures to 2 decimal points: kroner & ører)

<table>
<thead>
<tr>
<th>Field name</th>
<th>Format</th>
<th>Position</th>
<th>Option</th>
<th>Forced</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>record_number</td>
<td>num(8)</td>
<td>1</td>
<td>F</td>
<td></td>
<td>Record number. Continuous numbering of records in the file.</td>
</tr>
<tr>
<td>record type</td>
<td>char(2)</td>
<td>9</td>
<td>F</td>
<td></td>
<td>Record type. Value=&quot;60&quot; for wage payment detail record.</td>
</tr>
<tr>
<td>senders A-number</td>
<td>num(6)</td>
<td>11</td>
<td>F</td>
<td></td>
<td>The A-number of the institution. Each institution can have several A-numbers.</td>
</tr>
<tr>
<td>payment_type</td>
<td>char(15)</td>
<td>17</td>
<td>O</td>
<td></td>
<td>Payment type. E.g. &quot;Wage&quot;, &quot;Investment support&quot;, &quot;Creditor&quot; etc.</td>
</tr>
<tr>
<td>due_date</td>
<td>char(8)</td>
<td>32</td>
<td>F</td>
<td></td>
<td>Due date for payment. Format DDMMYYYY.</td>
</tr>
<tr>
<td>wage_p-number</td>
<td>num(9)</td>
<td>40</td>
<td>F</td>
<td></td>
<td>P-number of wage earner.</td>
</tr>
<tr>
<td>wag_name</td>
<td>char(30)</td>
<td>49</td>
<td>F</td>
<td></td>
<td>Recipient's name.</td>
</tr>
<tr>
<td>wage_reg_no</td>
<td>num(4)</td>
<td>79</td>
<td>F/O</td>
<td></td>
<td>Recipient's bank registration number. Must be filled out if taxable wage or wage payment is filled out.</td>
</tr>
<tr>
<td>wag_account_no</td>
<td>num(10)</td>
<td>83</td>
<td>F/O</td>
<td></td>
<td>Recipients bank or giro account number. Must be filled out if wage_reg_no. is filled out.</td>
</tr>
<tr>
<td>taxable wages</td>
<td>num(16)</td>
<td>93</td>
<td>O</td>
<td></td>
<td>Taxable income (kroner &amp; ører).</td>
</tr>
<tr>
<td>wage_payment</td>
<td>num(16)</td>
<td>109</td>
<td>O</td>
<td></td>
<td>Wage for payment (kroner &amp; ører).</td>
</tr>
<tr>
<td>wage_holiday_pay</td>
<td>num(16)</td>
<td>125</td>
<td>O</td>
<td></td>
<td>Holiday pay (kroner &amp; ører).</td>
</tr>
<tr>
<td>wage_holiday_reg_no</td>
<td>num(4)</td>
<td>141</td>
<td>O</td>
<td></td>
<td>Will only be filled out if wage_holiday_pay has been filled out. Contains bank registration number, where to the holiday pay will be transferred.</td>
</tr>
<tr>
<td>wage_holiday_accou nt_no</td>
<td>num(10)</td>
<td>145</td>
<td>O</td>
<td></td>
<td>Will only be filled out if wage/holiday pay has been filled out. Contains bank account number, where the holiday pay will be transferred to.</td>
</tr>
<tr>
<td>wage_id</td>
<td>num(16)</td>
<td>155</td>
<td>O</td>
<td></td>
<td>Possible identification, set by the system, with the goal of being sent back from the Faroese Customs and Tax Authorities to the wage system electronically.</td>
</tr>
</tbody>
</table>

### End line

<table>
<thead>
<tr>
<th>Field name</th>
<th>Format, length</th>
<th>Position</th>
<th>Option</th>
<th>Forced</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>record_number</td>
<td>num(8)</td>
<td>1</td>
<td>F</td>
<td></td>
<td>Continuous numbering of records in the file.</td>
</tr>
<tr>
<td>record_type</td>
<td>char(2)</td>
<td>9</td>
<td>F</td>
<td></td>
<td>Record type. Value = &quot;90&quot; for end record.</td>
</tr>
<tr>
<td>rec_number</td>
<td>num(8)</td>
<td>11</td>
<td>F</td>
<td></td>
<td>Total number of records in the file.</td>
</tr>
<tr>
<td>payment_total</td>
<td>num(16)</td>
<td>19</td>
<td>F</td>
<td></td>
<td>Total amount for payment in the file (including fractions of a kronur). The sum of</td>
</tr>
</tbody>
</table>
invoice_amount and wage_payment.

| a_income_total   | num(16) | 35 | O | Total A-income for payment in the file (in coins). The sum of taxable wage_.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>holiday_total</td>
<td>num(16)</td>
<td>51</td>
<td>O</td>
<td>Total holiday pay for payment in the file (in coins). The sum of wage_holiday_pay.</td>
</tr>
</tbody>
</table>

**Interface to FSL main bookkeeping system**

*Export files for financial control from the payment system*

The record-layout and its content can be altered, but the content is roughly shown below.

<table>
<thead>
<tr>
<th>File header</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record_no</td>
<td>9(8)</td>
</tr>
<tr>
<td>Record_type</td>
<td>9(3)</td>
</tr>
<tr>
<td>For_system_id</td>
<td>X(10)</td>
</tr>
<tr>
<td>Row_number</td>
<td>9(6)</td>
</tr>
<tr>
<td>List_date</td>
<td>9(8)</td>
</tr>
<tr>
<td>List_time</td>
<td>9(4)</td>
</tr>
<tr>
<td>Parent_data</td>
<td>X(25)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Institution header</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record no</td>
<td>9(8)</td>
</tr>
<tr>
<td>Record type/ Record type</td>
<td>9(3)</td>
</tr>
<tr>
<td>Institution number</td>
<td>9(6)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Detail record</th>
<th>Viðmerking/ Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record no.</td>
<td>9(8)</td>
</tr>
<tr>
<td>Record type</td>
<td>9(3)</td>
</tr>
<tr>
<td>Catagory</td>
<td>X(15)</td>
</tr>
<tr>
<td>Filler</td>
<td>X(3)</td>
</tr>
<tr>
<td>Period</td>
<td>9(6)</td>
</tr>
<tr>
<td>Currency code</td>
<td>X(4)</td>
</tr>
<tr>
<td>Amount</td>
<td>9(16)</td>
</tr>
<tr>
<td>Batch name</td>
<td>X(25)</td>
</tr>
<tr>
<td>Journal name</td>
<td>X(25)</td>
</tr>
<tr>
<td>Text</td>
<td>X(40)</td>
</tr>
<tr>
<td>Reference field 1</td>
<td>X(15)</td>
</tr>
<tr>
<td>Reference field 2</td>
<td>X(15)</td>
</tr>
<tr>
<td>Reference field 3</td>
<td>X(15)</td>
</tr>
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<td>Reference field 4</td>
<td>X(15)</td>
</tr>
<tr>
<td>Field</td>
<td>Format</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Main account (seg1)</td>
<td>X(10)</td>
</tr>
<tr>
<td>Under account (seg2)</td>
<td>X(10)</td>
</tr>
<tr>
<td>Institution no (seg3)</td>
<td>X(10)</td>
</tr>
<tr>
<td>Standaccacc(seg4)</td>
<td>X(10)</td>
</tr>
<tr>
<td>Underspecif</td>
<td>X(10)</td>
</tr>
<tr>
<td>Place (seg6)</td>
<td>X(10)</td>
</tr>
<tr>
<td>Purpose (seg7)</td>
<td>X(10)</td>
</tr>
<tr>
<td>Segment 8</td>
<td>X(10)</td>
</tr>
<tr>
<td>Segment 9</td>
<td>X(10)</td>
</tr>
<tr>
<td>Segment 10</td>
<td>X(10)</td>
</tr>
<tr>
<td>Segment 11</td>
<td>X(10)</td>
</tr>
<tr>
<td>Segment 12</td>
<td>X(10)</td>
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<td>Segment 13</td>
<td>X(10)</td>
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<td>Segment 14</td>
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<td>Flex field</td>
<td>X(15)</td>
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<tr>
<td>Flex field 2</td>
<td>X(15)</td>
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<tr>
<td>Flex field 3</td>
<td>X(15)</td>
</tr>
<tr>
<td>Flex field 4</td>
<td>X(15)</td>
</tr>
<tr>
<td>Flex field 5</td>
<td>X(15)</td>
</tr>
<tr>
<td>Context value</td>
<td>X(20)</td>
</tr>
<tr>
<td>Control marking</td>
<td>X(1)</td>
</tr>
<tr>
<td>Alias</td>
<td>X(15)</td>
</tr>
</tbody>
</table>

### Institution end record

<table>
<thead>
<tr>
<th>Field</th>
<th>Format</th>
<th>Length</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record_no</td>
<td>9(8)</td>
<td>8</td>
<td>Row numbers increasing by &quot;1&quot;.</td>
</tr>
<tr>
<td>Record_type</td>
<td>9(3)</td>
<td>3</td>
<td>&quot;199&quot;</td>
</tr>
<tr>
<td>Institution_no</td>
<td>9(6)</td>
<td>6</td>
<td>Institution number</td>
</tr>
<tr>
<td>Total for institution</td>
<td>9(17)</td>
<td>17</td>
<td>kroner &amp; ører&quot;,&quot;&quot;,&quot;.&quot;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>34</td>
<td></td>
</tr>
</tbody>
</table>

### File end record

<table>
<thead>
<tr>
<th>Field</th>
<th>Format</th>
<th>Length</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record_no</td>
<td>9(8)</td>
<td>8</td>
<td>Row number increasing by &quot;1&quot;.</td>
</tr>
<tr>
<td>Record_type</td>
<td>9(3)</td>
<td>3</td>
<td>&quot;999&quot;</td>
</tr>
<tr>
<td>Number of records</td>
<td>9(8)</td>
<td>8</td>
<td>Number of lines including end record</td>
</tr>
</tbody>
</table>
**Counter booking**

The total amount for payment will be counter booked (reconciling booking). The detail rule, which will be booked, will look as follows:

<table>
<thead>
<tr>
<th><strong>Detail record</strong></th>
<th><strong>Viðmerking/ Comment</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordnr/Record no</td>
<td>9(8) 8 Raðtal vaskandi við &quot;1&quot;/ Row number increasing by &quot;1&quot;.</td>
</tr>
<tr>
<td>Recordtype/ Record type</td>
<td>9(3) 3 &quot;100&quot;</td>
</tr>
<tr>
<td>Katogori/Category</td>
<td>X(15) 15 Gruppering, fritt/ Grouping, free</td>
</tr>
<tr>
<td>Filler</td>
<td>X(3) 3</td>
</tr>
<tr>
<td>Period</td>
<td>9(6) 6 MYYYY????</td>
</tr>
<tr>
<td>Currency code</td>
<td>X(4) 4 &quot;DKK&quot;.</td>
</tr>
<tr>
<td>Amount</td>
<td>9(16) 16 &quot;&quot;, &quot;,&quot; first and amount in coins???</td>
</tr>
<tr>
<td>Batch name</td>
<td>X(25) 25 Grouping free</td>
</tr>
<tr>
<td>Journal name</td>
<td>X(25) 25 Grouping free</td>
</tr>
<tr>
<td>Text</td>
<td>X(40) 40 Which text??</td>
</tr>
<tr>
<td>Reference field 1</td>
<td>X(15) 15 Free (Transaction Step? Track?)</td>
</tr>
<tr>
<td>Reference field 2</td>
<td>X(15) 15 Do</td>
</tr>
<tr>
<td>Reference field 3</td>
<td>X(15) 15 Do</td>
</tr>
<tr>
<td>Reference field 4</td>
<td>X(15) 15 Do</td>
</tr>
<tr>
<td>Main account (seg1)</td>
<td>X(10) 10 Blank</td>
</tr>
<tr>
<td>Under account (seg2)</td>
<td>X(10) 10 Blank</td>
</tr>
<tr>
<td>Institution no (seg3)</td>
<td>X(10) 10 Institution number</td>
</tr>
<tr>
<td>Standardacc(seg4)</td>
<td>X(10) 10 Standard accounting account</td>
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<tr>
<td>Under specification (seg5)</td>
<td>X(10) 10 Specification</td>
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<tr>
<td>Place (seg6)</td>
<td>X(10) 10 Place</td>
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<tr>
<td>Purpose(seg7)</td>
<td>X(10) 10 Purpose</td>
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<tr>
<td>Segment 8</td>
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<tr>
<td>Segment 9</td>
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</tr>
<tr>
<td>Segment 10</td>
<td>X(10) 10 Segment 10</td>
</tr>
<tr>
<td>Segment 11</td>
<td>X(10) 10 Segment 11</td>
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<tr>
<td>Segment 12</td>
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<td>Segment 13</td>
<td>X(10) 10 Segment 13</td>
</tr>
<tr>
<td>Segment 14</td>
<td>X(10) 10 Segment 14</td>
</tr>
<tr>
<td>Flex field 1</td>
<td>X(15) 15 Grouping, free</td>
</tr>
<tr>
<td>Flex field 2</td>
<td>X(15) 15 Do</td>
</tr>
<tr>
<td>Flex field 3</td>
<td>X(15) 15 Do</td>
</tr>
<tr>
<td>Flex field 4</td>
<td>X(15) 15 Do</td>
</tr>
</tbody>
</table>
4.6. Depository and lending system of HTM (Medical Equipment Centre)

The current system of HTM will be used for now and then connected to the new main system. Thus it will not be necessary to produce a new depository and lending system.

Needs in connection with depository and lending system

The client list of HTM is the same as in the main system of the Social Security Office. The grant variations in the main system are for showing the types of equipment HTM offers. Grant consent in the grant system and decisions in the case treatment system will be known by HTM.

It will be possible to create statistics by using figures from the HTM system, alongside figures from other systems.

4.7. Creditor system for clientele creditors

The creditor system for clientele creditors is a kind of self-service for clientele, where it is possible to carry out regular transfers, to set up, alter and cancel fixed client transfers which the Department of Social Services has to pay for.

The creditor system of the Department of Social Services will enter demands from creditors, which then will be processed on the payment system of the Department. The payment system and the communication between this and the processing system of the Department have been described in detail above.

In connection with administration and case processing of public cases, the Department of Social Services pays or reimburses for documents, tools and services from these institutions, companies and factories (among others):

- Doctors and dentists
- Specialists
- Service providers and treatment places
- Shops and companies
- The Faroese Central Hospital
- The Pharmacy System
- Municipalities
- Employers

The demands (bills) will be registered in the creditor system by:

- Invoice (scanned or digital invoice)
- Day of reception
- Kind of grant
- Consent/approval (journal no. and date, section of act)
- The client, who will receive the grant
• Kind of grant and need description (period of time)
• Period
• Name and address, and p-number/v-number of creditors
• Amount
• Creditor ID
• Last day of payment
• Account string to Føroya gjaldstova, FSL

Run of creditors, balancing etc. takes place in the financial division of the Department of Social Services, while the knowledge division handles administration of creditors and interfaces, transfer of data etc.

Several of those who send bills to the Department of Social Services for services etc. have continuous communication with the Department of Social Services. These are doctors, hospitals, pharmacies, municipalities and employers. Therefore it is desirable that the relations with these business partners be automated and be done electronically wherever possible when referring to communication regarding documents, information, consents/approvals and bills (meaning that special interfaces will be created to these institutions). The creditor system of the Department of Social Services will be able to handle digital invoices.

In this part of the system, payment cases will be distinguished from each other - those that do not require a lot of case processing, and those cases that do require some processing. The authorizations of the system will be adjusted to these types.

The creditor system contains information on all processing and can print out account cards both of the grant recipient and of the supplier of documents, tools and services etc.

4.8. Debtor system

The debtor system is a system, which is situated in the Department of Social Services, but which has, via an interface, connection with collection of debts and the bookkeeping system of the Faroese Customs and Tax Authorities. The Department of Social Services founds and administers demands and limitations, whilst the Faroese Customs and Tax Authorities collects the demands and sends information back to the system of the Department of Social Services on payments, arrears, collection of debts etc. The debtor system registers debts owed to the Department of Social Services and books payments.

Demands are in some cases created automatically e.g. in connection with payment of child maintenance and maintenance allowance. Other demands can be demands for insurance premiums to the voluntary maintenance allowance system, repayment agreements e.g. in connection with supply of disability loans, normal repayment obligations of welfare aid and repayment for payment of foreign pension.

The debtor system, amongst other things, administers these demands:
• Repayment for paid child maintenance (+ extra pay)
• Spousal support
• Pay from employer for first and second day of illness
• Insurance premiums for the voluntary maintenance allowance system
• Repayment from the insurance for maintenance allowance in connection with damage
• Disability loans
• Repayment obligations for welfare.
The debtor system is developed in consultation with Føroya gjaldstova and the Faroese Customs and Tax Authorities.

When creating demand, at least this information has to be available:
- Date the demand is created
- Kind of demand
- Name, address and p-number of the debtor
- Amount
- Demand ID
- Debtor ID (if not the p-number)
- Last day of payment
- Account strings to Føroya gjaldstova FSL.

In addition to creating and being in charge of demands, the debtor system will also be able to print out summaries e.g. dated arrears and cases with debts to be collected – account statements, and to provide information to the data warehouse.

In connection with changes in a debtor’s situation that does not directly affect the collection of debts, the system will inform the caseworker of possible demands concerning the debtor.

The debtor system and the interface with the Faroese Customs and Tax Authorities is described in the table below.

Table 20: Debtor system of the Department of Social Services
**Debtor system**

The Department of Social Services

Debtor system of the Department of Social Services

Demands of the Department of Social Services

**Interface to the Faroese Custom and Tax Authorities**

Demands of the Faroese Custom and Tax Authorities

Arrears

Collection of debts

Payment

Reminders

Collection of debts
4.9. **Statistical data (Data warehouse)**

Based on the entries that the Department of Social Services carries out in its computer system in connection with case treatments, and based on other data entries, e.g. of the financial conditions, it is possible to obtain:

- **Activity description**, quantity measures, clientele, grants, division of transactions etc. (production).
- **Performance information**, achievement in relation to stipulated norms, time and resources as well as deviations in relation to certain cases (performance).
- **Activity area description**, how does the activity area behave, especially the parts of the public sector, administered by the Department, meaning interpretation (analysis) and predictions (simulations).

These are all descriptions that can be carried out and extracted from the data warehouse.

The data warehouse of the Department of Social Services will firstly be founded on processing data, which is saved in one or several databases. In order to be able to interpret conditions, changes and procedures in the case processing, it is also necessary to include external data in the data warehouse. It will also be necessary to save and process results from surveys (survey data) in the data warehouse.

A condition for full use of the data warehouse is to have all processed data available in the system, so that they appear there right after they have been entered (OLTP).

The main connections in the data warehouse are between persons, kind of grants and social and financial events. A main summary, which will describe these connections, will be the portal to the rest of the data, or information, in the data warehouse.

All transaction data will be saved at regular intervals in the data warehouse, and all changes in the parent data will be registered (logged), so that it will always be possible to determine movements and changes in the basic data in a time perspective.

The information in a data warehouse is a situation description, which will be updated at regular intervals, e.g. right after process runs have been carried out to ensure that the information, which is an outcome of the data warehouse, will be as correct as possible.

While the processing system *processes* individual events (transactional processing), the data warehouse is a *source* of individual events (data collection/anonymization of data), which since will be grouped by characteristics (dimensions). This is also referred to as interpreted data treatment (analytical processing).

*Table 21: Concept diagram/data warehouse*
The table above shows the different parts of a data warehouse. What makes the data warehouse interesting is the ability to use fact tables, which contain all data relating to the different circumstances in the public sector are organized by dimensions in order to describe certain branches of industry or subject (data martels).
Fact or settings can also be estimated in reference to the stipulated *norms* (time norms, financial norms etc.). Periodization (*history*) insures that it is always possible to view the circumstances that were valid for a certain period of time, e.g. the current calculation basis for a grant.

A summary will be carried out, based on the available data from the processing system, and the data can be organized in the data warehouse based on e.g. these parameters:

- Geography (demo- and sociography) (persons can e.g. be described by address, gender, age, marriage/family status, number of children, health, occupation and income and property information etc.)
- Kind of grants
- Grants (amounts)
- Special events and changes in the grants pattern
- Financial circumstances (price per grant unit, paid for grants, how much resource is put into producing a certain grant etc.)
- Grant establishment data
- Time
- Actors (treatment institutions and people, suppliers of grants and services, employers etc.)
- Assessments.

Reports and statistical interpretations will be carried out by establishing relations between the above-mentioned parameters, and by describing relations internally in the parameters (e.g. that the processes in the connections between kind of grants will be described). It is possible to look for patterns (e.g. that a grant may later release another grant, or that a social event leads to an increase or a decrease in certain grants, etc.) and trends.

Standard reports can show the key figures in connection with case processing, e.g. processed cases (kind of cases), closer interpretation of e.g. individual kind of grants or groups of clients, which changes og circumstances have lead to grants and financial statistics, e.g. as simple statistic interpretations (e.g. rolling average figures and graphic descriptions of these).

Reports can be created upon need in a special *report module*.

This refers to management of information that is available and updated at the same time it is requested.

Other employees, who have this as an assignment, shall be able to carry out thorough statistical analysis different kind of cross-tabulations, multi dimensional analysis, variant and regression analyses; carry out interpretations (e.g. determine if changes come from a larger access of client to the system, changes in rates and/or regulations), meaning numbers will be put into context. Situation descriptions will be carried out along side ad hoc inquiries, and they will describe changes in certain short or long periods of time, evaluate consequences, produce projections, and simulations etc. There will be opportunities for using both exponential and linear projections.

There will thus be a special *analysis and simulations module* in the data warehouse.

Also other people can perform real interpretations, e.g. with a basis data other than those that are as a result of the work of the Department of Social Services.

Users of data from the data warehouse are foremost the management and division managers of the Department of Social Services. Moreover, there are other users, which can gain access to the data warehouse, e.g. research workers, students, the public, the media, the Ministry of Health and
Social Affairs, Statistics Faroes, the Ministry of Finance, the political system in general and the Nordic Social-Statistical Committee (NOSOSCO).

The data warehouse supplies information and data to the annual report of the Department. In addition, this information or part of it, is available on the intranet and on the website of The Department of Social Services.

The data warehouse should be developed with this in mind.

4.10. Data interface and electronic data transfer

In order to insure that the work procedure of the IT system will not take longer than necessary, the Department of Social Services may have to request that information be moved quickly into lists in the processing and information system, and also it will speed up the processing if runs can be handles electronically and preferably online. This will also insure correct case processing.

Føroya gjaldstova (Faroese Department of Accounting and Financial Administration)

Currently most of the payments of the Department of Social Services are handled via the Post Office Giro Institution. According to the Terms of Reference, one of the goals of the project is that all entries in the financial bookkeeping of FSL be carried out in such a manner that will ensure accordance with the current financial notifications, and that all payments from the system of The Department of Social Services will be paid via the National Economic Scheme (Búskaparskipan Landsins).

According to § 4, section 5 of announcement no. 114 of 22 August 1996 on accounting systems of the country etc. The Department of Social Services can, upon application, give institutions with special needs permission for complete or partial use of their own finance systems. This permission will include that the finance system will meet information security, control, and time demands, which at any time are in force for the National Economic Scheme.

The announcement/notification also affirms that this permission is on the condition that the data communication can be performed electronically, or in another similar manner on the standard interface of the National Economic Scheme. Also a written operation agreement will be drawn up with Føroya gjaldstova, which closely defines the conditions for data communication.

§ 11 of the announcement also includes exact provisions for accounting registries, which also are valid for registries that are handled in an individual economic system, and which are subject to the regulations for the accounting systems of the country.

§ 15 of the announcement also contains provisions that all payments shall be via the National Economic Scheme.

Regular institutional operation and case processing have to be distinguished. The processing and information system of the Department of Social Services is not an economic system, but a case processing system. The case processing system includes many financial transactions (payments), and these will be treated via the National Economic Scheme, as will all financial transactions relating to operations of the institution, which currently are handled on the National Economic Scheme, which the Department of Social Services has access to.
In addition to the importance of maintaining the functional distinction between case processing and accounting practices in this connection, it will be necessary, in an upcoming accounting and administration of payments collaboration with Føroya gjaldstova on debtor and creditor bookkeeping, to prevent unauthorized people from gaining access to possible sensitive data. The administration must meet IT security standards, including requirements for encrypted data transfer. The Department of Social Services must also maintain ability and full oversight into its own operation, which will be administered in the National Economic Scheme.

In addition, the payment system, the debtor and creditor system, the payment system and the wages system, are part of the economic system of Føroya gjaldstova. The Department of Social Services currently uses several of these systems. Regular grants are processed via VFS, paid via the Post Office Giro Institution and booked at Føroya gjaldstova. There are good possibilities of following bookings etc. in the management information system. All the operations of The Department of Social Services will be booked in FSL. Several payments from the Department of Social Services to creditors are treated directly via FSL, while a portion of these payments are handled via VFS. The same goes for foreign pensions subject to the Nordic Convention on social security.

By all estimations, there seem to be no obstacles standing in the way of an interface being created in the IT system of the Department of Social Services that will correspond to the payment system of Føroya gjaldstova.

Collaboration on payment and accounting with Føroya gjaldstova will include altering some of the current work procedures, but there should not be any problems caused by this.

However, there is the challenge that in the Faroes, unlike in e.g. Denmark, there is a requirement that all public grants shall be paid via a financial institution (bank) account. In connection with the development of the new processing and information system of the Department of Social Services, there will be a requirement that the system will also be able to administer digital invoices.

A thorough description of National Economic Scheme is on Føroya gjaldstova’s website: www.gjaldstovan.fo.

The Faroese Customs and Tax Administration

Collection of debts
The Faroese Customs and Tax Administration currently administrates collection of debts, payments of, among other things, child maintenance (extra tax deduction and regular child allowance), spousal support, disability loans (HTM), 1st and 2nd day absence due to illness, pension (too much paid pension) and insurance company claims in connection with maintenance allowance.

The Faroese Customs and Tax Administration requires that all the above mentioned kinds of demands/claims will be administered in a debtor system of the Department of Social Services, which then could be read directly in and out of the collection/debt system of the Faroese Customs and Tax Authorities This debtor system could function as a mother system, with which the Faroese Customs and Tax Authorities could continuously communicate. The Faroese Customs and Tax Authorities believe that this would lead to better insight and control of the creditors for the Department of Social Services.

Income reading
It is important that a new casework and processing system will have all relevant income and asset information available on the web interface, which the caseworker operates in. The system will
thus independently read all relevant data from the database of the Faroese Custom and Tax Authorities, and this information will be available at the same time the caseworker begins actual casework on public grants.

It shall also be possible to choose the kind of income information and, if needed, possibly choose to use income information from other years than the current one.

**Pharmacy System**
The Pharmacy System has obtained a new computer system, which, among other things, registers individual's purchases of medicine. The Pharmacy System will be sent consent/approval summaries from the Department of Social Services, which also will contain information on co-payments. The Department of Social Services will be debited for the amount of the purchase that exceeds the co-payment.

The IT-division of the Pharmacy System has announced that the Pharmacy System has obtained a new data base (Oracle) and that they see no problem in creating an online connection between the Pharmacy System and the new IT-system of the Department of Social Services. Such a connection will insure that information on co-payments (consent/approvals) from the Department of Social Services and information for use in the pharmacy (bills) can be moved between the institutions. In developing such a connection, one should keep in mind that security must be maintained and that transfers of information should be reasonable for the task at hand.

The Pharmacy System groups its medications by a so-called medicinal index, which offers the possibility of grouping medications used accordingly. Thus the Department of Social Services could build a statistical summary of this use in the data warehouse.

**Home Care and Welfare**
The Home Care and Welfare divisions have a need for information from the Department of Social Services on events that affect their casework and projected needs assessments in the years ahead. In several areas much of the work of these divisions is collaborative. In connection with the calculation of co-payments, which will be deducted from the pension, these will in the future be treated electronically via the processing system of the Department of Social Services.

**Municipalities**
The municipalities shall be linked to the system, especially in connection with child welfare issues. Requiring municipalities to supply relevant data and reports should be considered in addition to requiring other statistical data from them for the system.

**Connection to the people and address lists of the National Registry Office**
The main system of the Department of Social Services will communicate with the imminently forthcoming system of the National Registry Office. The Department of Social Services will have opportunity for reading directly from the system of the National Registry Office.

There is a need for the Department of Social Services to know p-numbers, names, addresses and family relations etc. of the clientele.

The main system of the Department of Social Services has a need to receive this information from the National Registry Office:

1. Identification
   a. important requirements for P-numbers
   b. request for A-numbers, V-numbers, asset information
   c. request for relations to foreign (people/countries)(primarily Nordic countries)
   d. social security numbers, to begin with, especially Danish cpr-numbers
e. opportunity for other international identification numbers
f. opportunities to enter other key and ID numbers into the system upon need

2. Active situation, and reason why a personal/p-number is inactive
   a. if the person exists
   b. deceased
   c. disappeared/absent
   d. moved from the Faroes
   e. other reasons

3. Official situation
   a. of age
   b. not of age, with statement for possible reason for declaring incapacity in handling
      own affairs
   c. re-gaining capacity to be independent

4. Civil situation
   a. Faroese
   b. Danish citizen in the Faroes
   c. foreigner in the Faroes
   d. refugee
   e. other civil situation

5. Gender

6. Name
   a. all valid first names and surnames
   b. information on name change (date and reason)

7. Addresses
   a. valid post address, which can also be a post box address
   b. the valid National Registry address. In certain cases, the Department of Social
      Services may choose to use another address than this address in the casework of the
      Department
   c. All current and previous addresses of the person concerned, by stipulation of 1) 
      address situation of each individual address—of permanent, temporary or invalid
      address; 2) time of residency, meaning determination of start and possible end date
      of address, and period of time; 3) previous addresses are important, because in
      several cases, a change of address has relevance to calculation of grants; and 4) in
      some cases it is important to know which municipality the person concerned belongs
      to and has belonged to previously
   d. especially for foreign addresses. Referring to a joint Nordic agreement on national
      pensions, information regarding whether a person has lived in other Nordic countries
      is required, including names of countries and period of time of the stay. This is due to
      the fact that the person can receive a proportional part of the pension from other
      countries where a person was resident.

8. Relations between persons
   a. marital situation, with statement of day/s of marriage and possible divorce dates
   b. parent/child, by information on birthdays, and mother/father relations. In certain
      cases it is possible that more than one man will have parental obligations.
   c. adoptive child, by stipulation of adoption day and names of both parents
   d. guardian/s for the person concerned, by stipulation of a validated start and end
date for guardian duties

   e. it is also requested to know if persons are co-inhabitants, by stipulating the start and end date of the living arrangement.

It is important to know the date of all changes in information.

Communication will be carried out electronically. This can take place as direct online communication, where the main system can check the system of the National Registry Office. This solution insures the best possible updated information, but can, however, be technically difficult and require a lot of online connection.

Another possibility is daily electronic transfer of files, which will be transferred from the system of the National Registry Office to the main system. This solution is technically easier, but may lack updates. There is a need for, at least, daily file transfer.

File transfer is the current situation. Direct online communication is preferred.

Connecting to the tax system of the Faroese Customs and Tax Authorities

The main system of the Department of Social Services will communicate with the tax system of the Faroese Customs and Tax Authorities.

There is a need for the Department of Social Services to know the exact income situation of clientele to be able to determine if the person concerned has a right to a grant from the Department. The Department of Social Services shall thus have an opportunity to read from the system and independently move relevant data, relevant to actual casework, into the system of the Department of Social Services.

In some cases the Department of Social Services, if The Faroese Customs and Tax Authorities requires, will supply information regarding changes in the conditions for taxable income. This is in relation to granting of taxable grants for singles and in connection with repayment of taxable grants, where the repayments can change the taxable income totals.

Types of communications:

   1. Requests on income situations of singles, spouses, families and co-inhabitants
      b. The Department will use the p-numbers of clientele
      b. The Department of Social Services requires aggregate totals from the Faroese Custom and Tax Authorities
   2. Notice of decrease of taxable income
      a. a separate notification, when the Department of Social Services requires taxable grants repaid by clients.

An announcement on an increase of taxable income is not a individual announcement, because the Faroese Customs and Tax Authorities will receive this information indirectly when the Department of Social Services pays all taxable grants via the payment system of Føroya Gjaldstova. Thus, the Faroese Customs and Tax Authorities will have the opportunity to tax all taxable grants directly.

A more detailed stipulation of data format for communications will be made by the tax system of the Faroese Customs and Tax Authorities To begin with, it will use the same interface that the Department of Social Services currently has with the tax system.

It is important to know the date of all changes in information.
The communication will take place electronically, preferable as direct online communication, where the main system accesses the system of the Faroese Customs and Tax Authorities. This solution insures the most updated information, but can be technically difficult and requires a great deal of the online connection.

Connecting with the collection of debts and bookkeeping system of the Faroese Customs and Tax Authorities.

The debtor system of the Department of Social Services will communicate with the collection of debts and bookkeeping system of the Faroese Customs and Tax Authorities.

The Faroese Customs and Tax Authorities has the authority for the collection of debts owed to the Department of Social Services. The Department of Social Services will create a demand and send it to the Faroese Customs and Tax Authorities. It will subsequently cease processing demands to debtors when the demand has been given to the Faroese Customs and Tax Authorities for processing.

Other types of communication:

1. Notice of late payment of debts to the collection of debts and bookkeeping system. This involves the demand being moved from the debtor system to the main system for collection of debts and bookkeeping system of the Faroese Customs and Tax Authorities.
2. Update of payments due to the collection of debts and the bookkeeping system e.g. if a client has paid directly to the Department of Social Services concerning an invoice/debt, which should have been directed to the collection of debts and bookkeeping system. Matters concerning added Interest and to levy distress will be handled by the Faroese Customs and Tax Authorities.
3. Updates from the collection of debts and bookkeeping system to the debtor system of the Department of Social Services – e.g. when the Faroese Customs and Tax Authorities receives a complete or partial payment of a demand/invoice, which has been directed to the collection of debts and bookkeeping system.
4. Information from the collection of debts and bookkeeping system to the debtor system of the Department of Social Services, stating that the collection has been processed e.g. when The Faroese Customs and Tax Administration has received the full collection amount, which has been directed to the collection of debts and bookkeeping system.
5. Information from the collection of debts and bookkeeping system to the debtor system of the Department of Social Services, stating that a demand/invoice has been completely or partly written off e.g. when the Faroese Customs and Tax Authorities chooses to perform a reorganization agreement with clients, which affects the outstanding demand/invoice of the Department of Social Services, which has already been directed to the collection of debts and bookkeeping system.

A more detailed description of the data format for communication will be made with reference to the collection of debts and bookkeeping system of the Faroese Customs and Tax Authorities.

It is important to know the date of all changes in information.

The communication will proceed electronically, as direct online communication where the main system and the collection of debt and the bookkeeping system send data to one another. This solution secures the most updated information, but can be technically difficult, and requires a great deal of the online connection.

It is also possible to organized the communication by daily electronic file transfer. This solution is technically easier, but may lead to lack of updates. There is need for, at least, daily file transfer.
Direct online communication is preferred.

**Connection to the payment system of Føroya Gjaldstova**
The payment system of Føroya gjaldstova will communicate with the payment system of the Department of Social Services.

There is a need for the Department of Social Services to carry out all payment via Føroya gjaldstova, both taxable and non-taxable payments. The Department of Social Services envisions release of communication, i.e. when the payment leaves the Department of Social Services, the payment system shall not send notice back to the Department of Social Services, but only process the payment.

The communication contains:

Announcements/notifications on respective taxable and non-taxable grants for the payment system.

1. Announcements/notifications on grants for the payment system
2. Announcements on planned grants for the payment system
3. Annulment of planned taxable and non-taxable grants for the payment system
4. Liquidity notices—an summary of planned taxable and non-taxable grants for the payment system
5. Updates of liquidity notices—an altered summary of planned taxable and non-taxable grants for the payment system
6. Response from the payment system on payments that were not carried out

The data formats, which Føroya gjaldstova has stipulated for communication, will be used.

It is important to know the date of all changes in information.

The communication will proceed electronically, preferably as direct online communication, where the main system sends information to the payment system. This solution insures the most updated information, but can be technically difficult and requires a great deal of the online connection.

It is also possible to organize the communication with daily electronic file transfer, which will be moved from the main system to the payment system. There is need for, at least, daily file transfer.

Direct online communication is preferred.

**Connection with Financial System of Føroya Gjaldstova**
The grant system of The Department of Social Services shall communicate with the financial system of Føroya gjaldstova. The Department of Social Services shall book payments in the main bookkeeping system.

Details of this communication:

1. Announcement/notification of bookings to the financial system.

It is important to know the date of all changes in information.
The communication will proceed electronically, preferable as direct online communication, where
the main system sends information to the main bookkeeping system. This solution secures the
most updated information, but can be technically difficult and requires a great deal of the online
connection.

It is also possible to organize the communication with daily electronic file transfer, which will be
transferred from the main system to the main bookkeeping system. There is need for, at least,
daily file transfer.

Direct online communication is preferred.

Connection with the settling of accounts of The Pharmacy System
The grant system of the Department of Social Services will communicate with the settling of
accounts system of the Pharmacy System.

The Department of Social Services will refund medication expenses to clients according to more
detailed rules. In order to insure that the Department of Social Services has the opportunity to
examine these grants in an effective manner, it is necessary to have data communication between
the Department of Social Services and the Pharmacy System.

Communication details:

1. Consent to the Pharmacy System, stating that the Department of Social Services will repay
amounts to certain clients. The consent will contain stipulations on
   a. kind of medication, which is a part of the consent, containing an ATC code
   b. co-payments by the client, shown in kroner or as a kind of co-payment
   c. information on the client, shown as a P-number
2. Invoice lines from the Pharmacy System, which provide for repayment for medication
expenses from the Department of Social Services to the Pharmacy System.

The kinds of medication and the amount will be described.

All corrections or alterations in the consents/approvals given will be updated in the pharmacy
system. It is important to know the date of all changes in information.

The communication will proceed electronically, preferable as direct online communication, where
the main system and the pharmacy system will communicate. This solution secures the most
updated information, but can be technically difficult and requires a great deal of the online
connection.

It is also possible to organize the communication with daily electronic file transfer, which will be
transferred between the systems. There is need for, at least, daily file transfer.
Direct online communication is preferred.

Connection to medication summary/price lists of the Pharmacy System
The grants system of the Department of Social Services will communicate with the medication
summary of the Pharmacy System.

There is a need for all consents/approvals for medication support, handled by the Department of
Social Services, to have a unit cost, when the client has purchased the medication. This means
that it is not necessary for the Department of Social Services to know the price before the
consent/approval is given, but it is important that the daily price be the basis for the grant. This
unit cost shall be updated daily. Secondly, the Department of Social Services requires prices, in
order to be able to project total financial needs for the future.
Details of this communication:

1. Summary from the Pharmacy System on medication and the updated daily unit prices of these.

It is important to know the date of all changes in information.

The communication will proceed electronically with electronic file transfers, which will be transferred between the systems. There is a need for regular file transfers with reference to when the price changes occur.

Connection to digital medical certificates from the Digital Health System of the Ministry of Health and Social Affairs

Several parts of the main system of the Department of Social Services have a need for information from the Digital Health System of the Ministry of Health and Social Affairs.

The main need is for digital medical certificates in connection with administration of illness days.

Details of this communication:

1. Print out of medical certificates from borough(municipal) officers and specialists. Important information includes:
   a. p-number of client
   b. p-number of the doctor concerned.
   c. the period of time, which the medical certificates covers.
   d. diagnosis
   e. partial or full illness report
   f. child birth
   g. further possible explanation
   h. reason for illness or injury

Currently the Health System writes medical certificates as PDF-documents. This means that it is not easy to distinguish which cases the individual medical certificate belongs to. It is desirable to obtain the data in an XML format instead, so that it will be possible to use the data in the basis/justification for case consent/approval directly in the main system, where it belongs.

Another chief need for digital medical certificates is in connection with administration of medication support.

Description of this communication:

1. Print out of medical certificates from borough(municipal) officers and specialists. Important information include:
   a. p-number of the client
   b. p-number of the doctor concerned
   c. details and/or the ATC code for each individual medication
   d. opportunity for separating it into generic vs. brands
   e. timeframe the medical certificate is valid –in time and/or number of refills

2. Annulment of medication support.

The communication will proceed electronically, preferable as direct online communication, where the main system and the health system communicate. This solution secures the most updated information, but can be technically difficult and requires a great deal of the online connection.

Sent 06.06.2006
It is also possible to organize the communication with daily electronic file transfer, which will be transferred between the systems. There is need for, at least, daily file transfer.

Direct online communication is preferred.

**Connection to the Employment Agency and Maternity System**

In connection with collection of information on people in the Employment system and Maternity system, the main system of the Department of Social Services should be connected to these systems.

Description of this communication:

1. Information on work relations, meaning, is the client registered as available on the job market. This is important in relation to the Public Assistance Act, as there is special welfare due to unemployment.
2. Income document from the Employment Agency relating to the maintenance allowance system.
3. Admission to the maternity system and illness notification, term and medical certificate relating to maintenance allowance. The information can flow both ways.

The communication will proceed electronically, preferable as direct online communication, where the main system and the computer system of the Employment Agency and the Maternity System communicate. This solution secures the most updated information. It is also possible to organize the communication with daily electronic file transfer, which will be transferred between the systems. There is need for, at least, daily file transfer.

Direct online communication is preferred.

**Connection with billing centre (digital bills) of Elektron**

In connection with digitalisation of bill processing, the main system of the Department of Social Services should be connected to the impending billing centre of Elektron. The purpose of the billing centre is to coordinate the communication of bills from creditor to debtor.

For the Department of Social Services, the impact will be that the creditor system will be able to accept digital bills from the billing centre and the debtor system will be able to send digital bills to the billing centre.

Description of this communication:

1. Reception of digital bills from the billing centre
2. Response on digital bills back to the billing centre.
3. Notices on digital bills to the billing centre.
4. Annulment of digital bills (credit note) sent to the billing centre.

It is important to know the date of all changes in information.

Please see the closer descriptions from Elektron relating to this.

**Connection with the digital Net media or other corresponding E-box systems**

In relation to digitalisation of communication with the client, the main system of the Department of Social Services, should be connected with the Net media of Føroya gjaldstova, or other upcoming E-box systems in the Faroes. The purpose of this is to be able to send letters and all summaries to the client electronically, and thus obtain administrative savings.
Description of this communication:

2. Send digital documents to the Net media or other E-box system.

Please see a closer description from the supplier concerned relating to this.

4.11. Non-functional requirements for the system

Non-functional requirements are the requirements for a good description of the IT system and how it carries out or achieves the functions. This is also called quality control. A guide from the Danish Agency for Governmental Management on digital administration (Supply and Purchase of IT-systems, April 2002) can be mentioned in this connection.

- Flexible
- User friendly
- Speed and performance
- Stability
- Capacity
- Recycling/reuse
- Testing

Flexible
The system has to be flexible, meaning that it is easily adaptable and integrated to other known standard systems. The system shall develop in an environment that ensures that it will be easy to further develop and maintain, among other things, in connection with changes in laws, rate changes or other changes in the public sector.

User friendly
The user will find it easy to use the system and easy to learn to use the system. The user interface will be based on Windows icon terminology, which is a well-know user interface. The system will contain a user guide.

Speed and performance
The response time for queries and updates of screen images has to be good. This should also be valid for queries to the database and report generation. Response time on the web-portal to queries from the client and other interest groups shall also be good. It shall take a matter of seconds rather than minutes to generate a report.

Stability
The system will be developed on a steady foundation, and will function steadily with high uptime. The uptime has to be 99 per cent.

Capacity
The system will be able to handle the work of 100-200 employees at one time, and also be able to handle at least 1,000 online users at one time.

Recycling
Data will, wherever possible, be recycled/reused between the different modules of the system. This is, among other things, to secure that the data maintain integrity and are correct.
Test
The system shall be tested in a test environment before being put into use in the Department of Social Services.

The public standard is that the system has to live up to the ISO 2196 standard in its requirement specifications.

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5. System and operation solutions and project processes

This section will describe the conditions that are relevant to choice of system. Also an assessment of choices in connection with the operation of the system will be carried out. According to The Terms of Reference, the assessment in both cases, will point to several choices of solutions. The risk assessment at the end of this section also describes the conditions, which are connected to choice of system and choice of system operation.

Lastly a proposal for organizing a further project will be described, alongside a timetable for the total process of development.

5.1. Choice of system

There is a crucial requirement that the new processing and information system includes all work tasks that are part of the main work of the Department of Social Services. This requirement has also been clearly spelled out in communications, which The Department of Social Services has had with the political authorities in connection with developing a new IT-system.

The system will contain a journal system, which will meet normal demands and also fulfil provisions/specifications in the act on public administration (Parliamentary Act no. 132 of 10 June 1993). All casework that relates to various grants, payments and similar tasks has to meet the provisions of the accounting notification (announcement no. 114 of 22 August 1996 on accounting standards of the Faroes etc.). Thirdly, the system has to supply the IT security that has been stipulated in Parliamentary Act no. 73 of 08 May 2001, on handling of personal information.

Some of the main demands of a new system are:

1. An integrated system, which will include all work tasks in connection with public grants of the institution and will be able to perform its many functions: document deposit, casework, payment and collection of debts etc. The system also includes underlying systems such as a debtor/creditor system, a data warehouse, communication capabilities, information and intranet systems etc.
2. Electronic working procedures (workflow), which control, measure and give feedback on the casework.
3. That all work tasks, where possible, will be treated in the same interface, meaning a portal solution.

The system has to be flexible, and it shall be quick to establish new kinds of grants, when needed.

-- Text deleted 9 August 2006
6. Documents

1. Public systems
   4. Specification of requirements
**Document 1. Social Services**

Please see section 2.4. Below is a short description of the different social services.

**Maintenance allowance system**

Maintenance allowance is granted under the provisions of Parliamentary Act no. 74 of 8 May 2001 on maintenance allowance due to illness etc., as subsequently amended.

Maintenance allowance is granted to wage earners, who do not have a right to full or partial wage in connection with illness etc. according to an act, insurance or contract. This includes: fishermen, independent trades people who have taken out voluntary insurance and others. Maintenance allowance is paid from the first 'leave of absence' day, and will, as a main rule, be calculated by the average income of the last five weeks of work, prior to the person concerned becoming unfit for work. The maintenance allowance is the expected loss of income, although, at most 80 percent of the wage is paid, according to the contract between the Faroese Worker’s Union and The Faroese Employer’s Association.

In 2004, there were 2,626 people in the sickness benefit system: 1,547 men and 1,057 women. Most of them were wage earners. Payments were made for 3,466 periods of sickness, or in total, about 86,000 days lost through sickness.

**Welfare system**

Welfare help is granted as needed, under the provisions of Consolidated Act no. 100 of 2 March 1998 on public assistance in The Faroes (Public Assistance Act), subsequently amended. The Public Assistance Act is the basis for all social security benefits in the Faroes. When all other possibilities have been tried, the Public Assistance Act functions as a security net for the people who require supplementary benefit.

**Regular public assistance**

Provisional public assistance will be granted pursuant to Sect. 9 of the Public Assistance Act, to prohibit the significant worsening of living conditions of a person and his family due to a social incident, e.g. illness, divorce etc. Provisional assistance can also be granted pursuant to Sect. 9 due to unemployment.

In 2003, 1,138 people received welfare aid pursuant to Sect. 9

Permanent aid pursuant to Sect. 13 will be granted, if it does not seem possible for the client to become financially independent in any manner, and if the person concerned does not have the right to early retirement pension.

**Special regulations**

Help can also be granted for one-time expenses (on the same conditions as in Sect. 9) and for illness expenses pursuant to Sect. 15 of the Public Assistance Act

Financial support can be given to families with children with limited ability pursuant to Sect. 17. Families that maintain a child under the age of 18 at home, who has a considerable and long-term limited ability, can receive repayment of necessary additional expenditures, including expenses for special treatments and for loss of work income.

Help for rehabilitation can be granted pursuant to Sect. 18 of the Public Assistance Act. The condition for receiving support for rehabilitation is that the person concerned, due to mental,
bodily or social reasons is not capable of maintaining himself and his own, and therefore it is necessary to take measures that aim to develop and redevelop the working ability of such a person.

Aid for medical equipment, medication etc. can also be granted with authorization in Sect. 18 of the Public Assistance Act.

In 2003, 640 people received other welfare aid than that prescribed in § 9. Of these, 321 received aid for one-time expenses, 289 for rehabilitation, and 30 received permanent grants.

**National and early retirement pension**

The National and early retirement pension is granted under the provisions of Parliamentary Act no. 48 of 10 May 1999 on National Pensions etc., which was last amended by Parliamentary Act no. 45 of 9 May 2005. People who have turned 67 years of age, have the right to a national pension. Early retirement has three levels, either the lowest, average or highest early retirement pension.

The highest early retirement pension can be given to people who have turned 18 years of age, but who have not yet turned 60 years of age and are considered permanently unfit for work.

Pensioners can receive a bonus/supplement according to Parliamentary Act no. 35 of 16 April 1997 on bonus to certain pensioners etc., last amended by Parliamentary Act no. 10 of 9 February 2001. The bonus is awarded proportional to the income assessment.

In individual cases other bonuses can be granted in addition to the pension, e.g. disability-, child-, aid- and care bonus and a disability grant. These are not calculated using income. The disability grant can be allocated to people between the ages of 18 and 67, who, due to too high an income cannot receive a pension by assessment as laid down in Section 9.

Personal bonuses can be granted a pensioner who has especially difficult conditions.

A child bonus is granted to a pensioner, who has obligations to maintain or supply support to a child under 18 years of age.

Pension amounts and bonuses are stipulated in Parliamentary Act no 107 of 22 December 1999 on appointment and equality of public grants, subsequently amended by Parliamentary Act no. 50 of 4 April 2002. The amounts are annually adjusted by 4 percent upon notification.

In 2004, 5,828 Faroese received a national public pension: 3,222 women and 2,606 men. Of these, 1,464 received only a basic amount, 3,501 received the basic amount with a full bonus, 613 received the basic amount with a limited bonus and 250 were permanent residents of an institution. At the same time there were 1,888 early retirement pensioners: 1,120 women and 768 men. Of these, 440 received the lowest, 804 the average and 554 the highest grant; 90 people received disability grants.

In 2004, 322 pensioners received a child bonus, 233 received a personal bonus, 107 received an aid bonus and 39 received a care bonus.

**Other regulations**

In addition to the grants in question single parents can receive child benefits as laid down in Parliamentary Act no. 71 of 20 May 1996 on child benefit for single parents etc., which was last altered by Parliamentary Act no. 6 of 25 January 2001.
Support for maintenance can be granted according to Parliamentary Act no. 90 of 6 June 1997 on support for maintenance, altered by Parliamentary Act no. 69 of 2 May 2001. The annual support amount will be 50 percent of the maintenance that the person is obligated to pay.

Compensation for taking care of the elderly and the disabled at home is approved pursuant to Parliamentary Act no. 64 of 5 June 1984 on Compensation for Taking Care of Elderly and Disabled at Home, subsequently amended by Parliamentary Act no. 52 of 28 April 2000.

Rules on payment, including pension circumstances etc. when a client is in an institution, is stipulated in Parliamentary Act no. 108 of 22 December 1999 on Living in an Institution etc., amended by Parliamentary Act no. 54 of 9 May 2005.

The Parliamentary Act no. 46 of 9 May 2005 on Support for Care Work will come into force 1 January 2006.

Planned amendments in The Parliamentary Act on maintenance allowance due to sickness and Parliamentary Act on industrial accident insurance state that all administration and payment of maintenance allowance will be subject to the Department of Social Services. Currently it is Tryggingarfelagið Føroyar (One of the Faroese insurance companies) that administers and pays maintenance allowance to people who have a acknowledged industrial injury, so this will mean a profound change.

Amendments in the public pension act include transfer of decision authority in the early retirement cases from the Industrial Accident Insurance Committee (FUR) to he Department of Social Services. Appeal authority in the same cases has been transferred from the Danish board receiving and treating complaints about administrative decisions, to the Board of Appeals in Social Matters (Appeals Committee).