



Summary

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On shaky ground

– decision support ahead of major reforms

Summary

The Swedish National Audit Office (Swedish NAO) has audited whether the Government's proposals for reforms involving large amounts have been well-founded and fully analysed. The audit has been restricted to cover the government bills behind 25 reforms introduced between 2000 and 2017. The Swedish NAO notes that there are considerable improvements to be made. Furthermore, we found that the reforms have been evaluated far too infrequently by the Government. Finally, our assessment is that the precision of the estimates included in the government bills in the form of expected impact and costs can be improved.

Audit findings

The Swedish NAO has examined how well the government bills describe different issues, with an emphasis on what societal problems are to be addressed, what goals and impact are sought after, what consequences the proposals are expected to have and what costs the reforms are expected to lead to.

The general conclusion is that the reform proposals for the areas described above far too seldom meet the requirements that can be placed on the documentation to be considered well-founded and fully analysed. In more than half of the cases, we consider that a satisfactory description of the reforms' expected impact or goals is lacking.

In the opinion of the Swedish NAO, it is reasonable that the Government as far as possible should describe a reform's expected impact or its goals in quantitative terms. Clear goals and expected impact are essential for future evaluation.

The Swedish NAO notes that less than half of the reforms we examined have been evaluated by the Government. However, in total 19 out of 25 reforms have been evaluated, including 10 by the Swedish NAO. The Swedish NAO considers that there is a need to ensure that all major reforms be evaluated. The Swedish Government Official Report title 'Analyses and evaluations for effective governance' (Analyser och utvärderingar för effektiv styrning) has previously reached the same conclusion. However, the Government wrote off this Government Official Report without taking any measures.

Our review of the evaluations of reforms involving large amounts shows that the goals or the expected impact were achieved in roughly half of the 15 reforms in which we could evaluate the goals or expected impact of the reform. With regard to the cost estimates in the government bills, we have been able to follow the reforms' cost development in 13 cases. Here too, in roughly half of the cases the outcome was tolerably in line with the original estimate, that is, the deviation was less than 25 per cent after three years.

The Swedish NAO considers that some of the shortcomings could be rectified if the Government Offices had better conditions for making quantitative estimates. Officials at the Government Offices whom we interviewed have pointed out that estimates can be difficult to make, due to factors such as a lack of data and also because of a lack of qualified instruments for estimating costs and impact for certain areas.

An overall budget process aims to ensure that the total expenditures do not exceed the intended level and that the fiscal policy goals can be met. However, the audit shows that one consequence of the budget procedure is that the Government sometimes submits proposals in the Budget Bill that have not been fully analysed. The Riksdag makes decisions on significant resources for purposes that are occasionally only described in general terms. In these cases, the Government submits comprehensive decision support at a later stage.

Lead times are long from a policy initiative until a government bill is on the Riksdag table, if the drafting procedure is to be carried out in accordance with an established order. In order to avoid the Riksdag having to take a position on a reform without a thoroughly prepared basis for decision requires good planning on the part of the Government. The audit shows that the Government has sometimes given priority to a quick introduction of a reform rather than producing thoroughly prepared decision support. The Swedish NAO considers that it would be better, as far as possible, to follow a procedure in which the decision support is

drafted before a decision is made. This would improve the conditions for an effective prioritisation of reforms and resources.

Recommendations

The Swedish National Audit Office recommends that the Government

- Ensure that the expected impact and goals of the reforms as well as costs are reported clearly and, preferably, quantitatively in the government bills in which the reform proposals are presented.
- Introduce a procedure ensuring that all major reforms are evaluated.