

## Administration in central government agencies

– changes in progress

### Summary and recommendations

The Swedish National Audit Office (Swedish NAO) has audited whether the Government's measures to ensure a good balance between administration and core activities have been effective. Administration is a significant part of the agencies' activities, and how the work is organised is an important issue for the efficient utilisation of resources in the State.

#### **Audit findings**

The overall conclusion is that the measures taken by the Government are not sufficient to ensure a good balance between administration and core activities. The measures have only to a limited extent contributed to good conditions for the agencies to improve the efficiency of their administration. The resources that have been released through the streamlining of administrative tasks are used for more and better support activities rather than to increase resources in the core activities.

#### The Government's measures have a limited effect on administration

The Government's measures for more efficient administration fall mainly in three areas: *digitalisation, centralised services and developed governance*. However, developments in these areas are slow and the overall impact on the amount of administration within the State is relatively low. Additional measures are therefore needed to improve the agencies' ability to make their administration more efficient.

Digitalisation is an important tool for streamlining central government activities. In the first place, it is about creating efficiency gains in the core activities and developing contact with citizens. Digitalisation of administrative systems comes second. The agencies also face a number of challenges that slow down digitalisation. For example, there are situations where agencies are forced to buy in and develop their own system solutions even though shared solutions could have been more effective.

The introduction of centralised services aims to achieve economies of scale by gathering parts of central government administration in the same place. The

biggest measure in this area is the establishment of the National Government Service Centre in 2012. Although a great deal of time has passed, so far the service centre handles only half of central government salary payments. The audit also indicates that the resources that have been released as a result of economies of scale and increasing cost-efficiency in service centre services have not resulted in a higher share of core operations in central government.

As regards developed governance, the implementation of the trust-based governance reform is the Government's most prioritised initiative. The reform aims to develop and streamline public administration based on trust and reduced micro-management. However, it is difficult to find examples of the trust-based governance reform having led to a reduction in administration in the agencies.

### More efficient administration rarely leads to more core activities

An analysis of human resources statistics for 204 agencies shows that the core activities' share of the workforce has decreased since 2010. This is mainly because the number of employees in various managerial positions has increased, but also because agencies that support and lead other publicly funded operations are growing.

During the period examined there have also been significant changes to the design of the administration. Some simple administrative tasks have been transferred from administrative staff to managers and employees in other parts of the agencies. At the same time, the proportion of staff performing qualified administrative tasks increased rapidly, a development that has reasonably resulted in increased wage costs.

The audit shows that the administration has increased rather than decreased since 2010. There are also indications that resources released when administrative tasks are made more efficient do not result in more core activities, but instead are used to provide more qualified administrative support. It is important that the Government and the agencies follow how the increased proportion of qualified support and management services affects the production of core activities, and consider whether this is an effective use of central government resources.

## Recommendations

The Swedish NAO makes the following recommendations to the Government:

- Investigate whether the digitalisation of the agencies' administrative activities can be facilitated through increased coordination or improved legal conditions.
- Evaluate how the introduction of the National Government Service Centre has affected central government administrative costs and take a position on how the reform should be pursued further.

- Examine whether other types of measures can be taken to intensify the work of providing agencies with good conditions to streamline or otherwise reduce their administration.