

## State support with shared responsibility between agencies

– Effectiveness and simplifications

### Summary and recommendations

We have audited whether the shared agency responsibility for appropriation items that fund state support is well founded and whether the activities, given these conditions, have been organised efficiently and effectively. An example of shared responsibility is that one agency allocates the appropriation and pays out the support, while another agency is responsible for processing and decision-making. We have reviewed some ten instances of state support provided to individuals, companies, municipalities or other organisations. Our overall conclusion is that there are good reasons for shared responsibility in most cases, but not all. At the same time, we find that there are a number of improvement opportunities that could reduce the problems that nevertheless arise with shared responsibility.

#### **Audit findings**

Of the state support we have reviewed, we have found that the shared responsibility is well-founded in most cases. For activity support and introduction benefit, however, we make the assessment that there are reasons to consider allowing the Swedish Social Insurance Agency to take over the right of disposal, which in that case would mean that the Social Insurance Agency will be given full responsibility for the appropriation items that finance these two types of support. In these cases, the current system of shared responsibility leads both to a more unclear division of responsibility and to unnecessary transfers of appropriations between the agencies.

Although the shared responsibility is usually justified, we have found that through different types of measures it is possible to reduce the problems that nevertheless arise with shared responsibility. In two cases, we make the assessment that the number of government agencies involved can be reduced. This applies to the investment support for solar cells, where today the Swedish Energy Agency, the National Board of Housing, Building and Planning and the county administrative boards are all involved. It also applies to the Government Offices' decisions on payments, where today both the Legal, Financial and Administrative Services Agency and Sida carry out payments in parallel.

We have also found several cases of deficiencies in the agencies' digital administrative support. This seems to be a particularly major problem in EU controlled agricultural subsidies, and as regards support for the remediation of contaminated land, there is no IT-based administrative support whatsoever. The greatest problem is that many parts of the processing are done manually, which is time consuming and can lead to the county administrative boards' processing not being sufficiently uniform. This problem exists regardless of whether the responsibility is shared or not, but the problems are reinforced when one agency develops the administrative support and another agency processes the cases.

In four of the examined cases, the agency that is in charge of the appropriation does not pay the support directly to the final recipient, but rather sends funds to another government agency which in turn makes the payment. This leads to both a complicated flow of allocated funds and increased difficulty in assessing how much of the appropriation item has actually been consumed. One example is the support for contaminated land, where the Swedish Environmental Protection Agency pays the funds to the county administrative boards, which in turn pay the funds to municipalities as final recipients. In our opinion, there is scope for simplification here.

In the case of shared responsibility, there is a risk that ambiguities will arise in the division of roles and that some issues will fall between stools. We have found that the agencies involved have largely managed to deal with this risk and that the division of responsibility in most cases is clear. Here, the state support for remediation of contaminated land is an exception, where we consider that the description of the processing procedure and division of responsibility in the support ordinance is inadequate.

We also find that the responsibility for developing the operations has been taken in the cases we have examined. We have also consistently found that initiatives have been taken to develop the activities in question, by the Government or by the agencies.

## Recommendations

We make the following recommendations to the Government:

- Let the Swedish Social Insurance Agency have the right of disposal over the appropriation items that finance activity support and introduction benefit.
- Let the Legal, Financial and Administrative Services Agency have responsibility for all payments when the Government Offices make decisions on payments.
- Let one agency be responsible for both the right of disposal over the appropriation for solar cell support and payments of the support, provided that the support does not cease to apply in 2021.

- Revise the ordinance for remediation of contaminated land so that the role of the county administrative boards is clarified and that the Environmental Protection Agency has the task of paying out funds directly to the principals for remediation projects.
- Consider making a special decision to allow appropriation savings within the appropriation for support to contaminated land, when funds earmarked for individual projects in some cases are delayed over a year-end.
- Instruct an appropriate agency, such as the Swedish Agency for Digital Government, to investigate the possibility of coordinating to a greater extent than at present government agencies' work to develop digitised case processing systems for state support.