



Summary:

Digitalisation of public administration – Simpler, more transparent and effective administration

Audit background

In its latest Budget Bill, the Government notes that digitalisation is the “single largest agent of change in our time and affects all parts of society” and the aim of the Government is for Sweden to be best in the world at using the opportunities of digitalisation. Digitalisation is used in public administration to develop and improve effectiveness, and is called eGovernment. Since 2012 the Government’s goal for the digitalisation of public administration has been a simpler everyday life for citizens, more transparent administration that supports innovation and participation, as well as higher quality and effectiveness of services.

Swedish eGovernment is well-developed in comparison with many other countries. In international comparisons Sweden holds a good position in internet use, eGovernment services and frequency of citizens’ use of these services. However, in international comparisons there is a tendency for other countries’ eGovernment to develop faster than Swedish eGovernment. Since the mid-1990s, the Government has appointed inquiries, councils, commissions, delegations, boards, fora, cooperation projects and cooperation organisations to govern Swedish eGovernment. Despite this, problems and uncertainties have not been addressed fully.

Since digitalisation enables more effective public administration, it is important that the Swedish NAO scrutinises the Government’s efforts to promote development of eGovernment. The purpose of the audit has been to examine whether the Government has used the opportunities of digitalisation to improve effectiveness of public administration.

The audit consists of four parts:

- An analysis of the Government’s governance of eGovernment.

- A survey of the current state of Swedish eGovernment.
- Three case studies of eServices: Mina meddelanden (My Messages), e-arkiv (eArchive) and öppna data (open data).
- An economic assessment of the three eServices.

As part of the audit the Swedish NAO sent a questionnaire to municipalities, county councils and public administrative agencies to identify the current situation in relation to the Government's eGovernment objectives. The questionnaire was sent to 536 government agencies, municipalities and county councils, 441 of which (82 per cent) responded. The three case studies were conducted using several methods: about fifty interviews, a workshop for each case study and an economic assessment of benefits and costs.

The Swedish National Audit Office's findings and conclusions

Public administration can do more to develop eGovernment

The Swedish NAO's conclusion is that public actors mainly do not drive development in accordance with the Government's objectives and that they could do more themselves to develop eGovernment.

The audit shows that development of Swedish eGovernment is sluggish and there are differences in how far public actors have come. Several public agencies, county councils and municipalities have come a long way in their digitalisation, while others have more to do.

The public sector actors are working to simplify citizens' everyday life, but simplicity and functionality are not a natural part of developing eServices. Most government agencies, county councils and municipalities have eServices and use social media to communicate with citizens. However, it is less common to publish open data in a way that is simple to use. In addition, there are few public sector actors that have developed automated eServices to make processing more effective.

In the questionnaire responses only four out of ten public sector actors state that they involve the users directly when developing eServices. The Government's objective states clearly that development of eGovernment must be needs- and user-driven, but the questionnaire responses rather indicate that public sector actors develop eServices without identifying user needs. In addition, only two out of ten state that they always evaluate functionality in their eServices.

In the questionnaires the public sector actors state that financing is the greatest obstacle to digitalisation of public administration. The Swedish NAO considers that this may be an explanation for the slow development in some areas, particularly as regards financing of multi-agency projects. However, the Swedish NAO sees claiming a shortage of resources as a simple way out, when sometimes it is a matter of public sector actors not giving priority to eGovernment.

The Government can provide better conditions for eGovernment

The Swedish NAO's conclusion is that the Government has not created the institutional conditions required to enable government agencies, municipalities and county councils to take their responsibility and meet the objective of simpler, more transparent and effective administration.

To enable the positive effects of eGovernment to be realised there must be an institutional framework enabling digitalisation. The Government is responsible for formulating the institutional conditions, including organisation structure, regulatory framework and governance. Without the provision of adequate conditions, it is difficult for government agencies, county councils and municipalities to drive digital development forward.

The Government has not solved the problems encountered by public sector actors in eGovernment work, but has instead delegated responsibility to actors in the respective areas. This has resulted in inadequate institutional conditions for developing eGovernment. The audit also shows that the Government has investigated the institutional framework several times over a 15–20-year period but that the knowledge built up has not been utilised. This has created problems, for example when developing My Messages, eArchive and open data. No-one has overall responsibility for solving problems at a higher level, such as financing of multi-agency projects, legal conditions for developing eServices and multi-agency standards.

The regulatory framework and technical development are not aligned

A number of inquiries and studies since the early 2000s have pointed to problems in the meeting between digital technology and current legislation but the audit shows that the problems remain. It takes time to research legal issues and to circumvent the problems, eServices have been built up on the basis of legal guidance and not case law. This has led to different actors having different opinions on the legal conditions and to the legal foundation for some eServices being uncertain. The audit has shown that the main

problems for My Messages, eArchive and open data concern liability for personal data and confidentiality.

Many different IT systems and standards hamper information exchange

Effective exchange of information requires IT systems to be able to communicate with each other. The public sector actors' IT systems currently hamper development of eGovernment, both within and between public organisations. The IT systems are often outdated and are in addition based on different standards and formats. This means for example that public sector actors are locked into old systems. Changing IT systems requires both large investments in hardware and software, and the work of moving information from one system to another.

To be able to develop effective eGovernment, the systems should be based on common standards and be able to handle different technical formats. There are no common specifications and formats for the public sector actors' IT systems. For example there are no common standards for how public sector actors are to collect and publish open data, which results in many different ways of processing open data. This makes it difficult for other organisations to use public data effectively.

Short-term and insufficient financing obstructs eGovernment projects

One main problem that government agencies, county councils and municipalities mention as an obstacle to digitalisation is deficient financing. There are three aspects to the financing problems: there are no funds in the organisations for starting and running eGovernment projects; joint eGovernment projects lack clear funding and the funding of My Messages, eArchive and open data has been short-term, which has not benefited development.

EGovernment can create social benefits if the Government manages the obstacles

The Swedish NAO draws the conclusion that the eServices My Messages, eArchive and open data have as yet untapped economic potential. However, there is a conflict between the positive aspects of digitalisation and the risks as regards personal integrity and confidentiality.

Eservices, particularly multi-agency eServices, provide opportunities for improving cost efficiency and economic benefits in the form of simpler communication between

administration and citizens, transparency of public sector activities, more effective information processing and innovation and economic growth. However, the benefits are difficult to realise due to insufficient institutional conditions.

The economic assessment of the three eServices My Messages, eArchive and open data shows that the services carry major potential benefit, but that to date the benefits have not been realised. For example, there is potential public benefit in My Messages but as yet the benefit has not been realised since few public sector actors and citizens have signed up. To date the My Messages project has cost SEK 146 million to develop and only 420 000 private individuals and companies have signed up. This means that the My Messages project has cost SEK 347 000 per recipient. To realise the benefits there must be incentives for private individuals, companies and public sector actors to sign up to My Messages.

EArchive is important for retention of electronic documents and to make public administration information processing more effective. EArchive creates benefit for example by reducing transaction costs, increasing transparency in administration and enabling effective information processing. An investment in eArchive does not, however, give any major cost savings, at least not in the short term. The benefits rather lie in the contribution of eArchive to digitalisation of operational systems and processes.

The audit of open data shows that the value of public information is great, but that few public sector actors publish open data in Sweden – despite the fact that this is an area given priority by the Government and the Riksdag. Public information provided electronically and in an accessible way can contribute to increased effectiveness, transparency and innovation. However, there are other areas where the effects of open data are less known, for example as regards political and social aspects. Open data therefore imposes high requirements on public sector actors' processing in terms of integrity and confidentiality. However, there are no formal requirements for public sector actors to publish open data. In addition, many actors lack incentive to publish open data, since the benefit is often created outside the agency, while the cost is incurred by the agency.

Governance of eGovernment hinders development

The Swedish NAO concludes that governance of eGovernment has been short-term, delegated and characterised by a lack of overall responsibility. This has meant that development of eGovernment has not been managed in a cost-effective way.

The Government has chosen to manage eGovernment by delegating responsibility to committees, councils and government agencies. To some extent this has benefited development, above all the eGovernment Delegation's guidance has been used by the public sector actors to develop eServices. At the same time, however, the delegated and short-term governance makes it difficult for public sector actors to raise the problems they encounter when working with eGovernment, since there is no-one to deal with eGovernment questions. The Government has left the issues of inadequate institutional conditions unanswered – despite many inquiries having been conducted and the problems being relevant since the early 2000s. This has also meant that several projects were concluded without knowledge having been utilised.

Governance of eGovernment is complex, with autonomous municipalities and county councils as well as independent central government agencies. EGovernment is a difficult issue to govern within the framework of ordinary governance processes and can be compared with other horizontal policy areas, such as gender equality and environmental issues. The organisation of the Government Offices has further hampered development of eGovernment, since different ministries have been responsible and administrative policy has been separated from eGovernment.

Digitalisation of the economy and many other parts of society is proceeding rapidly. Digitalisation is used in many cases to improve the effectiveness of organisations and facilitate people's everyday life, including in public administration. The Swedish NAO's audit shows, however, that the Government and public sector actors only to some extent have utilised the potential of digitalisation to improve the effectiveness of public administration.

The Swedish National Audit Office's recommendations

The Government should strengthen its grasp of eGovernment and decide which questions are strategically important and should have priority. The Government should then give the public administration a remit and the necessary conditions to implement the priority areas.

There is no one to deal with the problems encountered by public sector actors in the work of eGovernment. The Government should assign an actor to "own" the eGovernment question and have the mandate to deal with inadequate conditions, such as common standards, financing and applicable legislation.

The Government should carry out an integrated investigation into the legislative changes needed to enable the creation of a digital administration.

The Government should draw up a national strategy for the work on open data that clearly specifies the type of information that is strategically important to publish as open data, how the work is to be financed and the format in which it is to be published.

The Government should instruct the National Archives to draw up a national strategy for introducing eArchive in public administration.

The Government should make it a requirement that public mail handling should be digital, either through My Messages or another eService.