

Conclusions and recommendations of the National Audit Office

Development and production of digital services

The aim of the audit was to determine how the efficiency and customer-orientation of the models for developing and producing digital services have been taken into account in programmes and projects led by ministries. The planning and monitoring of economic aspects in the development and production of the services were also extensively reviewed.

Customer-orientation should be more concrete in nature

On a positive side, it was noted that usability assessments or tests have been conducted on all digital services reviewed in the audit. However, in some of the services these assessments have only been made quite late during the service development process.

According to the audit findings, digital services are being developed in silos and the focus is on the needs of the public administration. It was noted in the audit that in many of the services, the development process has been driven by technological considerations. The development of the services has not been integrated into the operational development process.

Little use has been made of customer-oriented development models in the development of digital services. The conclusion in the audit was that in some cases, customer-oriented development models have helped to create services that have rapidly become widely used. This is partially because the services have been developed, in a responsible manner, by actors that are close to the operational customer interface and that already have smoothly functioning stakeholder networks. In such cases, the actors in question have also been able to rely on clear service production models.

At the same time, the role of the Ministry of Finance's JulKICT function as an instrument steering service development is problematic because it is a ministry-internal process and its main purpose is to develop information technology. According to the audit findings, such an operating approach has not always resulted in effective models for producing digital services in which customer needs are already taken into account during the development stage.

Steering and project models used in the Ministry of Finance's JulKICT function are not working properly

It was noted in the audit that the steering and project models of the Ministry of Finance's JulKICT function have resulted in multi-level programme organisations that are administratively cumbersome. Including the JulKICT appropriations in successive state budgets also involves risks from the perspective of monitoring the spending. According to the audit findings, the plans concerning the use of JulKICT appropriations are of general nature and expenditure has not always remained within the budget. Sometimes, even annual cost estimates have proved too optimistic. Each year this has led to a situation where there are unused appropriations that are nevertheless allocated to projects without adequate or realistic plans concerning their use.

According to the audit findings, the use of the appropriations allocated to the Ministry of Finance's JulkiICT function should be planned more carefully and better cost-monitoring procedures should be introduced. More use should be made of experts in the preparation of the decisions and the quality of the preparatory work should also be improved.

The JulkiICT function has not resulted in a clear steering system for the central government service framework. The JulkiICT function has positioned itself as part of the service centre operations by having a role in the operational steering of the production of individual services. It was noted in the audit that steering the production process in such a ministry-driven manner is problematic, particularly in the citizen's account. However, the normal practice is that the statutory tasks of a specific authority (in this case, the service centre) are organised so that the authority in question can successfully manage the tasks without the involvement of a ministry in the operational steering.

No reliable assessments of the costs and benefits of the services have been made and it has not been ensured whether they can actually be produced

According to the audit findings, the authorities involved do not make adequate assessments of the costs arising from the services during the production stage when the development work is initiated. For example, the production costs have not always been included in spending limits in long-term budgetary planning.

When a service is being developed, the parties involved must ensure that the costs can also be covered after the development stage. If these costs are not anticipated at an early stage and they are not included in the spending limits the whole service production process may have to be wound down. According to the audit findings, many such risks exist.

The overall objective in the development of digital services has been to develop cost-effective services. This objective has not always been met: The development process has not always been characterised by cost-effectiveness and the production costs have been high.

Nothing in the cost-benefit analyses of the audited services indicates that they would provide substantial cost savings for the public administration.

At the same time, the consultation procedure used by the Ministry of Finance, which is based on the Act on Information Management Governance in Public Administration, is not working properly. Therefore it is not suited for steering the production of reliable project data that could be used in the assessment of costs and benefits. Moreover, the data contained in the Ministry of Finance's project portfolio system is inadequate and leaves room for interpretation.

According to the audit findings, there are services for which no clear production plan has been prepared or which do not have a proper model for organising the production process. There are also services in which no consideration has been given to such issues as procurement legislation when the prerequisites for production have been determined. The feasibility of the investments has not been ensured during the service development stage.

The operational, economic and legal prerequisites of the planned service production structures are not adequately assessed in the Ministry of Finance's consultation procedure, which is based on the Act on Information Management Governance in Public Administration. These are crucial issues that specifically apply to information management

purchases and that should, under the Act on Information Management Governance in Public Administration, be considered by the Ministry of Finance.

The capability of the service centres to produce services and the cost-effectiveness of the service production chain should be separately assessed for each development measure. The roles and responsibilities of the actors involved in the service production chain should be clearly described. Service chains involving more than one service centre should have adequate supervision procedures at each stage and information between the service centres should flow smoothly. The role of the Government ICT Centre Valtori as a party providing expert services should be reassessed.

Compatibility steering should be on a more concrete basis

It was noted in the audit that even though the compatibility principles governing public services in the European Union have influenced the process of creating the national enterprise architecture they have not been considered separately in the steering of the service development process. It was also noted that the Ministry of Finance has outsourced most of the tasks concerning the promotion of compatibility.

At the moment, the steering of the implementation of the measures and purchases concerning the compatibility of the information systems is not adequately supported by the consultation procedure laid down in the Act on Information Management Governance in Public Administration. The consultation process is of formal nature and the opinions submitted as part of the process have little impact in terms of steering.

Recommendations of the National Audit Office

1. The Ministry of Finance should update and harmonise the steering procedures and the service production structure in central government information management. The role of the JukICT function in the steering structure should also be clarified. Performance guidance responsibilities in the ministry's administrative branch should be organised within the ministry by means of rules of procedure without new steering models laid down by law.
2. The consultation procedure laid down in the Act on Information Management Governance in Public Administration should be updated and it should be ensured that the procedure can provide a comprehensive and reliable knowledge base for ICT investments and service production.
3. Ministries (especially the Ministry of Finance and the Ministry of Education and Culture) should determine the roles of the service centres producing IT services for the public administration, provide them with a strong operational basis and take the necessary measures for creating a sustainable, streamlined and efficient service production structure.
4. The responsibilities concerning the production of digital services in the public administration should support an efficient service production process as part of the development of the enterprise architecture of the public administration.