

Abstract

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### Procurements of system work and ADP consulting services by the tax administration

Finland's procurement legislation is based on the European Union's legislation and procurement decrees have been prepared according to the division in EU directives. Procurements of goods and services must be performed in an economical manner. The main principles in procurement legislation also include promoting competition, treating suppliers in a fair and nondiscriminatory manner and ensuring transparency and openness. Procurements exceeding a threshold are covered by a separate decree on the basis of which they must be put out to tender at the EU level.

Procurements of information system work and supporting consulting services totalled about 33 million euros (FIM 196 million) in 2001. About 66% of these procurements were made from Tietokarhu Oy, which is owned jointly by the Finnish state and TietoEnator Corporation.

The main goal of this audit was to determine whether procurements of system work and ADP consulting services by the tax administration complied with existing regulations. The audit focused on guidelines concerning procurements, procurement planning and the implementation of procurements in the tax administration in general as well as three individual procurement processes.

Not all procurements of system work and ADP consulting services by the tax administration were put out to tender at all or according to procurement legislation. Long-term service contracts should also be put out to tender from time to time, for example when contract terms are revised. Reasons why the negotiation procedure has been used or why a procurement other than one of small value has not been put out to tender should be indicated in procurement documents.

Procurement processes should be documented and procurement documents should be archived so that all the stages of the procurement process can be verified later on. This would also facilitate the monitoring of procurement planning, the progress of the procurement process and cost-effectiveness and ensure that the reporting required by legislation is performed.

Procurement legislation should be revised with regard to in-house procurements from connected firms so that procedural regulations cover procurements in the entire public sector.