

Abstract

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Euro changeover in state administration

The State Audit Office of Finland conducted an audit on the preparations for the euro changeover in state administration. The main question was what steps have been taken to prepare for the adoption of the euro. The audit also evaluated whether preparation has been adequate.

The direct costs of the euro changeover in state administration will total around FIM 200 million or about €33.6 million, according to estimates. The audit indicated that the success of state agencies' preparations for the euro basically depended on project management. Attention was therefore focused on 1) directions, 2) information systems and 3) information and staff training.

The main audit tool was each agency's euro changeover plan. In principle this can be limited to a brief survey of the subject if the only thing affected is accounting. Most agencies have had to set up projects to prepare measures and changeover plans for this purpose. Some agencies did not have a separate euro project or team, however.

The audit indicated that preparation for the euro changeover was viewed mainly as a matter involving financial administration in many agencies. Some projects were limited exclusively to financial and information management staff. Financial administration is a key actor in the euro changeover, but the danger in the observed models is that the need for changes in other areas may not be realized. Gaps were found in the setting of objectives for euro projects, and only a few agencies had specified objectives clearly. Often planning was fragmented according to activities or systems.

The employment and economic development centres had adopted a changeover plan devised by the Employment and Economic Development Centre for North Karelia. Such a pilot model can be cost-effective as well as practicable. The danger lies in copying another agency's plan without making sufficient adjustments, which can lead to problems in implementation.

Agencies had prepared detailed changeover plans in information systems required by the shift to the euro. These were divided into concrete projects with a clear division of responsibility. Plans were meant to allow sufficient time for changes performed by staff or outsourced. Practically all the agencies in the audit had no other development projects under way while changes were being made for the adoption of the euro.

On the basis of the audit it would appear that the most significant threats have been recognized in the course of projects. State administration has not reached complete readiness for the adoption of the euro, but it is working to plan to achieve the objectives set for financial administration and other systems in this area.

Besides being a major issue for information systems, the arrival of the euro poses challenges for other staff as well. Agencies have been slack in arranging training and internal information for this purpose. Training matters seem to have been overshadowed by changes in information systems and legislation and their preparation has been uneven and sluggish. At the time of the audit, many agencies were devoting more attention to training, however. In some cases the content of information intended for citizens remained unspecified.