# "Records Management Program of Government Agencies for 2000–2002"

## Contents


EXECUTIVE SUMMARY 2

FEEDBACK FROM THE STATE SECRETARY 10

POSITION OF THE SAO 11

1. INTRODUCTION 12

1.1. Purpose and basis of audit 12

1.2. Motive and scope of audit 12

1.3. Methods and implementation of audit 13

2. PLANNING AND BUDGETING 14

2.1. Planning 14

2.2. Target-setting 17

2.3. Financing 19

2.4. Priorities and interdependence 20

3. SUBSTANCE 23

3.1. Preliminary study 23

3.2. Substance and logic of the RMP action plan 24

4. PROGRAM MANAGEMENT 27

4.1. Program organisation 27

4.2. Target groups 29

4.3. Evaluation of results 31

REPORT OF FINDINGS[1]


[1] Present document does not contain report of findings or any annexes of it.

## Executive summary

In order to co-ordinate the National Information Policy and improve the efficiency of information systems several specific programs and pilot projects have been developed in the recent years. Approval of the general principles of the Estonian Information Policy by the Parliament on May 13, 1998 and the adoption of the Framework Plan for the Establishment of Information Society by the Government were important steps that contributed to the adoption of several important decisions in the area of information society and to the launch of the envisaged programs.

One project that involves all public departments is the Records Management Program (RMP) implemented by the State Chancellery in 2000–2003. In 2000–2001 the budget of the RMP is 5.3 million kroons, but the estimated total required for the successful completion of the Program is about 20 millions. This excludes expenditure on the departments' transition to digital administration and no adequate estimates have been made in this regard.

**In 3 years the State Chancellery shall spend 20 million kroons on preparations in order to introduce digital documents in government agencies. This excludes expenditure on the departments' transition to digital administration and no adequate estimates have been made in this regard.**

For auditing purposes the SAO analysed the implementation of the RMP by the State Chancellery as the management of a single large project. Considering the effective progress of the Program (the work is not completed) we selected three important problem areas – planning, substance and management – relevant to the success of the Program:

- the Government's policy concerning the reorganisation of administrative procedures and the State Chancellery's efforts as the implementer of this policy (see the Chapter on Planning and Budgeting, pages 14–22);
- the compatibility of the substance of RMP action plans with the set targets (see the Chapter on Substance, pages 23–26);
- the management of the implementation of the RMP and chains of control (see the Chapter on Program Management, pages 27–32).

The audit focused principally on the management of control systems of the Program and aimed to draw attention to problems, which might obstruct the transition to digital administration in public departments, and to propose solutions.

The goal of the RMP is to achieve a new level of quality in the use of computers for administrative purposes so as to merge the electronic records management systems of individual agencies into a single records management system of the government that facilitates data exchange. The Program provides for the integrated development of three areas:

- adapting the bases of public administrative procedures for the purpose of introducing digital documents;
- development of the necessary implementing legislation;
- development of IT standards and methods necessary for digital administration.

**The goal of the RMP is to achieve a new level of quality in the use of computers for administrative purposes so as to merge the electronic records management systems of individual agencies into a single records management system of the government that facilitates data exchange.**

The RMP contributes to the achievement of the goals set out in the Public Information Act and the Digital Signatures Act and the concept of e-government. The Government has classified the Program as having high priority and the public departments have indicated that they have great interest in and expectations to this responsible undertaking.

On February 13, 2001 the Government decided that in 2001 records management in the public sector would be one of the priority development areas of the Information Policy. The priorities of implementing the Information Policy also set out that the electronic records management between the government agencies[2] is to be based on uniform principles. Consequently, the initial goal is to introduce digital administration and document exchange altogether in 74 government agencies. The Government is yet to set out specific tasks for the entire public sector (all in all more than 500 entities).

**In 2001 records management in the public sector is one of the priority development areas of the Information Policy.**

Because of its innovative nature the Program covers both research and development. According to the experts just about all the necessary research activities and subprojects have commenced. The implementation of the Program would be facilitated by co-operation with other similar projects (e.g. X-road) and between the subprojects of the RMP so as to expedite the development of recommendations concerning the harmonisation of the records management procedures of government agencies.

**Closer co-operation between the projects related to the RMP would expedite the development of recommendations concerning the harmonisation of the records management procedures of government agencies.**

For the purpose of managing the Program the State Chancellery established the Program organisation based on Working Groups. The Working Groups were set up to include specialists from different government agencies. Also the pilot projects have been implemented with the resources of the same government agencies on a voluntary basis. In addition to the State Chancellery the pilot projects involve the Ministry of Justice and the

[2] The government agencies include the Ministries, the State Chancellery and County Governments as well as Boards and Inspectorates and their local executive offices. The law may provide for other government agencies. [§39(3) of the Government of the Republic Act]

Ministry of Economic Affairs (project on e-law), the Ministry of Financial Affairs and the Ministry of Transport and Communications (administrative procedures and digital signatures), also the Tax Board, the Informatics Centre, the Standardisation Centre (digital archive) and others. One of the first integrated applications to be developed is the information system for the processing of legal instruments so as to interconnect the actors of the legislative drafting process, the Government and Parliament and the State Gazette information system.

The practical outcome of the RMP depends partly on the progress of and co-operation with other national projects (ID-cards, introduction of digital signatures, development of the system of databases). The RMP has started to co-operate with other e-government projects like the e-citizen and the e-county. The supreme body of the Program is the RMP Board chaired by the State Secretary.

**The greatest benefits of the digitalisation of administrative procedures arise when the other e-government projects are completed.**

According to the report furnished by the Program Manager to the RMP Board the following shall be established to achieve the Program objectives:

- the general bases and uniform methods of administrative procedures so as to reorganise public administrative procedures or records management, considering the international processes and the specific needs of the country;
- legislation governing the management of administrative procedures;
- standards allowing the exchange of electronic documents between officials, information systems and computer programs, regardless of the hardware, network facilities or software;
- agreements concerning the review of the organisation of work so as to benefit from the transition to digital administration;
- the transition strategy to determine the time-scheme for transition.

The RMP strategy provides that first of all recommendations shall be prepared concerning the different components of digital administration (document, register, archive, system of records etc) and thereafter these shall be tested in pilot projects in co-operation with interested departments. If the results of pilot projects are positive, these shall be used to draw up recommendations, standards or legislation for the given field in order to modernise the corresponding administrative procedures in public departments.

The organisational aspects of introducing the standards, classifications, recommendations and methodological guidelines developed in the framework of the RMP have been left to the discretion of government agencies. Although the introduction of digital document exchange between the agencies requires co-ordinated and well timed action, neither the State Chancellery nor the Government have envisaged any further operational measures in this regard other than the training of officials and the development of the strategy for transition to digital administration.

**As regards the introduction of digital document exchange neither the State Chancellery nor the Government have envisaged any further measures other than the training of officials and the development of the strategy for transition to digital administration.**

The future implementers and users of the RMP communicate mostly via the Internet (http://www.riik.ee/dh and http://www.riik.ee/infosystems ).

## Main conclusions

The Records Management Program of Government Agencies (RMP) has been launched in accordance with the Estonian Information Policy Framework Program and the relevant decisions of the Government as recorded in the session minutes. The Program's importance and the long-term effect on the improvement of the administrative procedures of government agencies is such that it should be seen as one of the national programs under the administrative reform. According to the experts just about all the necessary subprojects have commenced, regardless of the innovative and complex nature of the Program.

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The existing mechanism for planning and budgeting the IT development activities does not foster development activities between government areas (like the RMP) or project-based management and co-ordinated implementation. Also, the development priorities, which the Parliament and the Government have set, are not directly related to the budgeting process. This has given rise to uncertainty as regards the planning of the RMP and the efforts for wider co-operation. Furthermore, it increases the investment risks.

The Chancellery has invited the other government agencies to participate in the Program and demonstrated the substance and results of the projects on the web page and at seminars. In general, the specialists are familiar with these issues. But often the necessary information has not reached the executive officers in an appropriate form and the number of future users of digital documents involved in the Program is not adequate. The enquiry has shown that about one half of the government agencies have the technological readiness to apply the recommendations of the Chancellery. The Program reports for the first year do not explain what the agencies must do to improve their information systems or what would they benefit from it.

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In the implementing provisions of laws substantially related to the RMP the legislator has imposed short deadlines for the various tasks of the Program. Unfortunately, the Chancellery has been unable to expedite the development activities under the Program accordingly, which has lead to tensions in the government agencies waiting for the Chancellery's recommendations on the further development of records management so as to be able to plan their work. Given the deadlines stemming from the implementing provisions of the Digital Signatures Act and the Public Information Act the agencies have practically no time to perform the obligations imposed by these Acts in a timely manner. The holders of information should align their administrative procedures with the Public Information Act by June 1, 2001, whereas the RMP action plan for 2001 provides that the general requirements to documents to be incorporated in the administrative procedures must be harmonised only by the end of June 2001. In addition, the private companies

have delayed the placing on the market of the certification service necessary for the introduction of the digital signature for six months already.

The main unit managing the national information systems, the Department of National Information Systems of the Ministry of Transport and Communications, which is responsible for co-ordinating the inter-agency projects and the activities of Working Groups, was involved in the management of the RMP only this year. At the same time the Chancellery (as well as the Ministry) does not have sufficient authority to take the leading role in managing the Program, which encompasses the entire government sector. The reorganisation of the government's IT management initiated by the Government is yet to produce the desired outcome, especially with regard to inter-agency projects.

**The reorganisation of the government's IT management is yet to give any results with regard to the promotion of co-operation between government areas.**

Regardless of the above problems and shortcomings and given the innovative and complex nature of the field the Audit Team and the exports involved find the Program results for the first year are good. Implementing these results throughout the public sector over the next few years would be a development, which would pose a serious challenge for most of the more developed countries.

By June 2001 the Chancellery had not made recommendations to the government agencies or given them explanations concerning the documents or the uniform elements, the structure and exchange formats of the document register, or the requirements to the functionality of records management software. Therefore we draw attention to risks, which might have an effect on the achievement of the envisaged results of the RMP:

- since the information necessary for the implementation of the RMP is delayed, some government agencies may not include the relevant resources in the 2002 budget, giving priority to other issues;
- in order to perform the obligations stemming from the Public Information Act in a timely manner some government agencies use their discretionary power to solve the technological aspects related to the document register, but these solutions might be incompatible with those planned under the RMP and in that case their subsequent harmonisation would call for additional resources;
- due to the failure to co-ordinate the implementation of the Program the so-called critical mass necessary for the "functioning of the records management between government agencies on the basis of uniform principles" shall not be attained, which confines the entire Program to the Chancellery and the departments involved in pilot projects.

**The State Chancellery has been unable to foresee all the risks, which might hinder the transition to digital administration in government agencies.**

## Main proposals

The SAO recommends the Government to create a mechanism for the sustainable planning, management and financing of activities approved under the RMP and the Information Policy Framework Program so that the powers, rights and responsibilities of agencies managing a specific program would allow its successful implementation and introduction throughout the government sector. To this end a responsible agency should be designated for each program contributing to the information and/or IT infrastructure of the government sector. This agency would be competent to manage and co-ordinate a specific program on behalf of the Government by using the following instruments:

- the right to establish common action plans and priorities and to develop the principles underlying any joint action;
- project-based planning and budgeting for the entire program both in terms of volume and time, whereby the planned resources shall be distributed between the budgets of Parties to the Program. This requires specifying the contents of reports concerning the use of resources as well as the reporting procedures and ensuring the transparency of expenditure throughout the program and for all Parties;
- the right to obtain complete information from the Parties about the progress of the Program and to exercise decisive power in solving any issues, including the right to suspend financing in liaison with the National Treasury, and the obligation to notify the Government thereof;
- the right to terminate any duplicating projects or processes and to make a proposal to the Government to prohibit using the Program in question for financing functions, which are similar as to their substantial elements, if this has not been previously agreed for the purpose of obtaining the best solution.

**The successful completion of programs encompassing the entire government sector calls for an agency in charge acting on behalf of the Government as well as for program-based planning, financing and reporting.**

We recommend the Government to require the Ministry of Financial Affairs together with the Ministry of Transport and Communications to develop the management mechanism for programs encompassing the entire government sector as described above and to apply this to the RMP on an experimental basis already this year.

The SAO recommends the Chancellery to review the RMP strategy in order to take account of the results of the first year's development work, identify the interim results of the Program, determine the priority activities in view of the readiness and statutory obligations of government agencies to improve their information infrastructure. Further planning of the actions must be in compliance with the time limits stemming from the legislation and the budgeting process so that the government agencies covered by the Program could plan their resources and activities in a timely manner. The State Chancellery should take the responsibility and apply for the necessary powers and rights in order to manage the co-ordinated implementation of standards and recommendations drawn up in the framework of the RMP as well as the preparatory work in all agencies.

**The State Chancellery should take full responsibility and be empowered to manage the introduction of digital administration in all agencies on behalf of the Government.**

The SAO recommends the Ministry of Transport and Communications to improve the co-ordination between the RMP and essentially related development activities by way of setting time limits and advance preparation of financing proposals as well as regulations, standards and recommendations underlying this co-operation. This should be done also for other programs encompassing the entire public sector, which have already commenced.

## Feedback from the State Secretary

In his letter no. 13-2/4703 of July 9, 2001 the Director General of the State Chancellery acting on behalf of the State Secretary gave the Chancellery's opinion on the audit report.

The Chancellery finds that the results of the audit of the implementation of the development activities under the Records Management Program of Government Agencies (RMP) included in audit report no. 12-6/003 do, in principle, describe the effective situation, and undertakes to analyse the audit materials furnished by the SAO and consider these in conjunction with the RMP action plan.

The Chancellery shares the auditors' concerns as regards the problems of co-ordination between national programs and it has tried to solve these by way of close co-operation between government agencies and the RMP, since it finds this to be the best catalyst for implementing the RMP and other national programs.

The Chancellery maintains that the finalised audit documents constitute a good basis for improving the implementation of national programs and provides comments on the audit report in an annex to the letter.

The text of the letter from the State Chancellery is given in Annex 10.

## Position of the SAO

The SAO finds that the views on the problems described in the audit report expressed by the State Chancellery in its letter no. 13-2/4703 of July 9, 2001 are appropriate in most cases.

The SAO recognises the Chancellery's efforts to develop the uniform principles of electronic document exchange between agencies and hopes that the Government and the Ministry of Transport and Communications support the Chancellery in taking full responsibility and obtaining the powers necessary to manage the introduction of digital administration in all agencies on behalf of the Government. This can be done by way of applying project-based planning, financing and reporting to the Records Management Program throughout the government sector.

This audit is one of the first to look into a program implementing a specific policy (in this case the RMP) in the operational phase and not retrospectively. The methodology used allows drawing the Chancellery's attention to risks and problems, which might hinder the transition to digital administration in government agencies, so as to prevent them.

The SAO welcomes the fact that the audit gave rise to a more active approach to the resolution of several organisational and substantive problems of the RMP, which is also reflected in the proposals to amend the audit report set out in the annex to the Chancellery's letter. As the said letter, including the annex thereto, shall be attached to the decision of the Chief Auditor (see Annex 10), the reader can himself/herself decide on the positive steps that were taken in the course of the audit. However, the text of the decision has been commented in places where the wording might lead to ambiguity.

The SAO would like to thank the Chancellery for professional co-operation in conducting the audit.

This decision shall be communicated to the Finance Committee of the Parliament, the Prime Minister, the State Secretary and the Minister of Transport and Communications.

# 1. Introduction

## 1.1. Purpose and basis of audit

The audit aimed to analyse the process of Program implementation, draw attention to problems, which may hamper the transition to digital records management in public departments, where appropriate, and propose solutions. The audit should add credibility to the projects carried out under the RMP and guide Ministries and other public departments in their efforts to improve their departmental records management systems.

The audit is based on the SAO working plan for 2001, audit task no. 003/2001 approved by the Chief Auditor of the Performance Audit Department (PAD) on January 5 and the audit proposal discusses with the Auditor General on March 27, 2001 and approved by the Chief Auditor on March 30, 2001.

## 1.2. Motive and scope of audit

The Records Management Program of Government Agencies is one of the priority areas in implementing the Estonian Information Policy Framework Program both in 2000 and 2001 (decisions of the Government recorded in session minutes no. 24 of June 1, 1999 and no. 8 of March 12, 2001). The RMP is designed to ensure that "electronic records management between the government agencies is based on uniform principles". The authority in charge is the State Chancellery.

The envisaged period of the RMP is 2000–2003. This implies that the audit took place during the implementation phase. The RMP is an extensive program of co-operation, which should involve about 70 government agencies and several IT companies. Therefore we provide an overview of the expectations of public departments and the facilities of IT companies with regard to the preparation and introduction of public digital administration.

**The RMP is an extensive program of co-operation, which should involve about 70 government agencies and several IT companies.**

The audit motives include:

- importance of the Program to promoting public administration;
- the scope, innovative nature and complexity of the Program;
- reorganisation of government's IT management;
- relationship of the Program with other information society projects.

Given the current experience with public administration there is a relatively high risk that such extensive projects might fail.

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For auditing purposes the implementation of the RMP by the State Chancellery was analysed as the management of a large project that consists of many subprojects contracted out. Considering the effective progress of the work we selected three important problem areas to be analysed – planning, substance and management – all relevant to the success of the project.

**We selected three important areas to be analysed – planning, substance and management – all relevant to the success of the project.**

### 1.3. Methods and implementation of audit

The audit implementation was in compliance with the requirements stemming from the SAO Act, the Directives of the Auditor General and the core audit process of the PAD and the recommendations given in the international auditing standards (INTOSAI, ISO) and manuals (CobiT). Valdo Praust, an adviser from the Data Protection Inspectorate and Jaak Tepandi, a professor from the Institute of Informatics were involved in the audit as experts to analyse the substantive aspects of the RMP. The methodological issues related to the practical side of the pre-study and the preparation of the audit report were discusses with Jan Velthoven, Fons Gloerich and Jan van Dam, consultants of the Netherlands Court of Audit. Rein Harjo, the Head of the Performance Audit Department and Airi Viiart and Jaanuse Kasendi, Audit Specialists of the said department carried out the audit and prepared the reports. The report of findings annexed to this document provides a more detailed insight into the applicable methods and audit implementation.

The executive summary in the beginning of this document provides an overview of the audited Program (RMP) and the most important conclusions and proposals addressed to the top management. Chapters devoted to individual problem areas follow the introduction. These Chapters are broken down into Sections that analyse the relevant problem with reference to the report of findings and compare the effective situation with criteria based on standards and good practices. The auditors' conclusions and proposals addressed to the State Chancellery sum up each Section.

The questions used for the purpose of identifying findings and the assessment criteria chosen by the Audit Team are described in greater detail in the report of findings.

# 2. Planning and budgeting

## 2.1. Planning

In this Section we use the report of findings to assess the compatibility of the RMP with the general principles of the Information Policy approved by the Parliament and with other priority issues in the area of IT. We examine whether the strategic document of the RMP answers the questions of who does what, when, how and why, whether the scope of the entire Program has been clearly identified and whether the reasonable use of resources has been ensured. The criteria and findings (1.1 to 4.2) underlying the assessment are described in greater detail on pages 7 to 13 of the report of findings annexed to this document.

The Government action plan for 2001 provides that the most important project in the area of IT is the introduction of the electronic records management system in public administration. The Program aims to facilitate the exchange and use of electronic documents between government agencies and in the future also between the citizens and companies and the government agencies in order to allow more effective and economical administrative procedures. Adoption of the Digital Signatures Act by the Parliament in 2000 created the legal basis for the introduction of the digital signature and the Public Information Act requires the information to be made available to the public.

**The legislator has started to aim ahead of the programs of the Information Policy, which implies that the said programs need to be updated.**

In the coalition agreement the Government promised that within the framework of the government reform it would:

- develop horizontal co-ordination between the Ministries;
- allow the citizens to examine the process of preparing and adopting decisions and enforce the citizens' constitutional right to receive information from national and local government authorities;
- reduce bureaucracy and the number of visits to different offices by way of strengthening control over the efforts of the officials to solve citizens' problems.

**The Government wants to do everything at the same time, but has not developed an appropriate mechanism for implementing its plans.**

Simultaneously with the approval of the Estonian Information Policy Framework Program the Government decided, inter alia, to give priority to the development of the Records Management Program of Government Agencies in 2000 and 2001. At its session of February 1, 2000 the Government agreed to launch of the Records Management Program of Government Agencies and approved the draft of the Program.

The draft RMP answered the main questions related to the launch of the Program in an adequate manner. The Program actor (*who*: the State Chancellery and the Program

organisation to be set up) and objective (*what*: digitalisation of public administrative procedures and alignment to the requirements of the information society) were specified. A short summary of the overall strategy and tactics (*how*) was included, the Program period (*when*: 2000–2002) was determined and the background and the needs (*why*) were explained. At its session of February 13, 2001 the Government specified the expected result of the RMP (electronic records management between the government agencies is based on uniform principles) and provided an estimate of the required resources and a time limit. The Program objective and results given in the draft are not very detailed and leave space for interpretation, because the expected results are not accompanied by a comprehensive analysis or explanations and look rather like effects.

**The State Chancellery planned the Records Management Program well, having regard to its functions.**

A decision adopted at the same session required the Ministers to notify the State Chancellery of any changes in the field of records management that they would make in their respective government areas. This stresses the Ministers' responsibility to take specific measures to develop records management throughout the public sector. However, this or any other document doesn't say exactly what the Ministers have to do to develop records management based on uniform principles.

**It's not yet quite clear for the other government agencies what they have to do to develop records management based on uniform principles**.

In the Program strategy the State Chancellery has envisaged that the development activities would take place in 2000–2003. The strategy briefly describes the current situation, sets out the Program objectives, determines a strategy for achieving the targets and gives the action plan for 2000.

The State Secretary has stressed that in the medium-term (2–5 years) the strategic development of digital administration shall be based on the RMP strategy and the development plans of the State Chancellery which provide that the environment necessary for the transition to digital administration shall be created by 2003. This shall be achieved by way of developing, in the field of administrative procedures and archival matters, the necessary legal and organisational principles that ensure substantive management. The methods of applying these principles in other agencies have been left to their discretion.

Each year RMP action plans are drawn up during the establishment of the next year's budget and the drafting of applications for financing IT development projects. The applications contain, in addition to the general information, a summary of the work to be done, the expected outcome and its relevance, the cost and the resulting economic or social benefits, the estimated timetable for Program implementation etc. However, the applications and other project documents do not indicate the calculating methods or why the planned expenditure is justified.

The Chancellery contracts out all the major works. According to the long-term plan action plans are regularly drawn up and contracts with partners and subcontractors are prepared. The ancillary activities necessary for establishing the Program framework and managing the Program were commissioned to the Estonian Informatics Centre (EIC). The use of outsourcing for the management of such a program is justified, although delegating the power to decide such strategic issues like priorities or the like to the EIC is questionable.

**Conclusions**

The RMP stems from the country's development needs and strategic plans in the area of IT. The envisaged Program strategy implies that the Chancellery is able to manage three areas in an integrated manner: adjusting the bases of administrative procedures for the purpose of introducing digital documents, drafting the necessary implementing legislation and transposing or developing IT standards and methods required for digital administration.

**The State Chancellery is developing things that everybody needs, but originally their implementation was left to everybody's own discretion.**

Unfortunately, there is no mechanism for ensuring sustainable development in the long run. The Information Policy Framework Program alone cannot guarantee success or sustainable development over a longer period. The lack of this mechanism allows the Government to avoid making long-term commitments. It also creates a risk of losing or using ineffectively the resources invested in development, if the Government fails to complete the project or delays occur due to lack of co-ordination between projects or due to unstable financing. Excessive losses could arise from projects like the RMP, where one agency should guide the development of other agencies in some areas. The uncertainty in the plans of the driving force makes it impossible for the others to plan their activities on a solid basis.

There is no mechanism to ensure the co-ordinated implementation or financing of the RMP in other government agencies. Introduction of digital documents in only a few agencies will not give the desired result, since document exchange with other entities requires documents to be on paper. The Government has not imposed specific tasks on the Ministries or entities within their government areas with regard to the implementation of the Chancellery's recommendations concerning the introduction of digital records management. This could lead to a situation where the Program, which in general is successful, lacks the necessary output, since the target groups have no obligation or facilities to put the results into use.

**Proposals**

The Chancellery should assume responsibility for managing the implementation of the RMP in other government agencies and, to this end, apply for the respective powers from the Government. In the opinion of the SAO these powers should include:

- the right to establish common action plans and priorities and to develop the principles underlying any joint action;
- the right to project-based budgeting of the Program by distributing the planned resources between the budgets of the Parties to the Program and determining the substantive and procedural aspects of reports concerning their use in liaison with the Ministry of Financial Affairs;
- the right to receive complete information about the progress of the Program from the Parties thereto and to exercise decisive power in solving any issues;
- the right to terminate any duplicating projects or processes and to make a proposal to the Government to prohibit using the program in question for financing functions, which are similar as to their substantial elements, if this has not been previously agreed for the purpose of obtaining the best solution.

**The State Chancellery should plan the introduction of digital administration for the entire public sector. It would be more comprehensive as well as cheaper and faster.**

The implementation of the RMP throughout the public sector requires the Chancellery to draw up the relevant plan and budget and ask the Ministry of Financial Affairs (MFA) and the Ministry of Transport and Communications (MTC) to take this into account when preparing the plans and the state budget for 2002 and 2003.

### 2.2. Target-setting

This Section indicates who is responsible for target setting and how and whether the plans specify clear interim goals and time limits. We also try to determine whether a mechanism has been created to allow assessing the achievement of goals and monitoring the use of resources. The relevant criteria and findings (5.1 to 8.4) are described in greater detail on pages 7 to 13 of the report of findings annexed to this document.

According to Decision 5 of February 1, 2000 of the Government the State Chancellery is in charge of the RMP. The Deputy Head of the Department of National Information Systems is the Program Manager. According to the said instruments the responsibility for the development of plans and compliance therewith lies with the State Secretary and the Program Manager. The State Secretary approves the long-term and action plans of the RMP. As from this year also the newly established Program Board reviews the general plans of the RMP and makes proposals.

The general objectives and activities are described in the strategy of the National Document Information System, which was based on the analysis and reports of the Program Working Groups and the results of works contracted out. Although initially this strategic document was to be renewed every six months, no updates have been made since July last year.

The said strategic document introduces structured methods for planning the work and establishes the structure of plans, which contains various required elements. This strategy also sets out the interim goals for the 1$^{st}$ and 2$^{nd}$ half of 2000 and the framework structure

of project management. A Program organisation was set up, which is a system of Working Groups using project management methods and involving experts from all parties. When a subproject is launched, the applied methods are revised and a contract is signed, which specifies the timetable, the resource calculation, interim time limits and the conditions for accepting the work.

**The State Chancellery elaborated an appropriate strategy for developing the Program and specified the goals.**

The purpose of the works commissioned, the tasks and timetable are laid down in the contract and the outcome is approved by means of an instrument of delivery and receipt. Unfortunately, the tasks and the expected results are not always clearly defined before the works commence.

The detailed activity budgets are the reference basis for cost calculation. A detailed action plan and a detailed budget have been drawn up for 2001. The plan briefly describes the activity, the outcome and risks. The said plans of the RMP allow overall monitoring of the progress of the RMP both as regards time and cost.

**Conclusions**

The Information Policy Framework Program and the indication of development priorities by the Government are too vague to lead to clear targets, maximum limits (time, money etc), target groups, expected benefits or the like. On the other hand, the authorities preparing these materials for the Government are not looking to set more specific tasks, since it would tie their hands when it comes to implementation and could lead to extremely long co-ordination processes. Because of the general and inaccurate wording of goals it is difficult to assess the successfulness of the Program.

**The basis and criteria of assessing the success of the whole Program need to be detailed.**

The objectives of the RMP were specified in the strategy of the National Document Information System, which was to be renewed every six months in the light of the Program's research aspects. However, this has not been done. The achievement of targets set is primarily assessed on the level of subprojects. Most of the tasks planned for 2000 have been carried out.

**Proposals**

In the light of the results of implementing the RMP the Chancellery should regularly specify the upcoming tasks and notify the Program target group thereof.

**The rapid development of IT applications requires a more dynamic planning and more active communication with all the target groups.**

Given the results of the completed subprojects and the experience gained with pilot projects the Chancellery should promptly formulate the tested solutions and recommendations concerning the introduction of digital administration in government agencies so that these would be available for the purpose of planning the works of government agencies in 2002 and drawing up the relevant budget.

Furthermore, considering the experience with planning the RMP the Chancellery should, together with the MTC, make a proposal to the Government to create mechanisms, which would link the Information Policy Framework Program and the priority development areas of IT annually determined by the Government to the budgeting process. This should ensure the setting of clear targets and project-based responsibility and management throughout the government areas covered by the Program.

### 2.3. Financing

In this Section we analyse the RMP budgeting and financing processes. We examine whether the process provides for the assessment of alternatives and whether financing is focused on the outcome rather than the activity. The relevant criteria and findings (9.1 to 11.4) are described in greater detail on pages 15 to 16 of the report of findings annexed to this document.

The costs are validated in the course of applying for financing the costs related to IT. The Ministry of Financial Affairs has established specific requirements to the applications for financing IT development activities, which enables the Committee of Experts to make financing proposals and consequently co-ordinate the launching of development projects encompassing the entire government sector. Although the decisions of the said Committee are not binding for the MFA, these have been taken into account in most cases.

Although records management is a priority area and financing of the RMP shall probably be guaranteed until its completion, there is no formal mechanism to ensure the financing of launched projects over the years. The Ministry does consolidate the forecasts for the next 3 years, but the parties concerned have no obligation whatsoever to act accordingly.

**The development of the uniform bases of digital administration is financed through the State Chancellery. There is no financing mechanism for the co-ordinated implementation of the Program.**

In order to develop and introduce the uniform principles of the RMP the State Chancellery needs about 20 million kroons up to 2003. The earlier estimates have been 25–30 millions, which are broken down by activity areas in the draft budget. To a certain extent it took account of the Program applications in other government agencies, too. The draft does not explain how this breakdown was achieved or how much of the Program was to be implemented with this budget.

For the purpose of financing the State Chancellery ranks the RMP subprojects in the order of priority on the basis of the plans of the RMP, the need for development work stemming from the reports, the results of legal analysis, expert assessments and proposals of co-operation partners. The decisions taken at the meetings of the Working groups have been recorded, but there are no written traces referring to the comparison of possible alternatives.

**Conclusions**

The budgeting process does not ensure that the annual budget of the Program is established and approved in accordance with the long-term plans. At the time of planning the future budget is not known and therefore, as a general rule, the plans require more resources than available. This uncertainty does not allow precise calculations or plans, which makes it complicated to adopt management decisions. Besides, the process of establishing and approving the budget focuses too much on the agency itself and does not provide any assurance as regards the financing of long-term co-operation projects.

**The State Chancellery as the expert should make recommendations to the Government concerning the financing necessary for launching the entire Program throughout the government sector.**

It is not known how much the transition to digital records management throughout the government sector would cost to the taxpayers and what they would gain from it. The State Chancellery's expenditure on the core activities of the Program is given as approximate values, but there is no validated budget for the entire RMP.

**Proposals**

The Chancellery should determine the effective cost of the Program in the light of the current situation of the Ministries, Boards and other government agencies.

The Chancellery should determine the activities for 2001, 2002 and 2003 the implementation and financing of which in government agencies is crucial to the success of the whole Program. It should notify the MFA and the MTC thereof.

### 2.4. Priorities and interdependence

In this Section we examine whether the planning of the RMP has been in accordance with the current situation in records management and whether its strengths and weaknesses have been identified. We also examine whether the concurrent implementation of several subprojects takes account of their interrelations and the influence of the external environment. The relevant criteria and findings (12.1 to 13.1) are described in greater detail on pages 16 to 17 of the report of findings annexed to this document.

The launch of the RMP was preceded by a number of projects financed through the Estonian Informatics Centre that contributed to the national infrastructure of information

systems and the development of the information society (e.g. preliminary study of Estonian language technology, records management and Internet standards, and others). The results of these projects shall be taken into account when preparing and implementing the RMP managed by the State Chancellery.

Within the framework of the RMP the users' need for it has been assessed somewhat. In January 2000 the State Chancellery carried out an enquiry in order to determine the situation of records management in the Ministries. The structure of the Ministries' administration system, the presence of the procedure for archival processing, and the way the documents reach the employees and the situation with the IT development activities in the area of records management were looked into. By now some of this data has become outdated.

**The success of this Program depends most on the involvement of end users in the development process and on whether their requests and possibilities have been taken into account.**

Under the Program meetings have been organised with the representatives of IT companies and officials in charge of the administrative procedures of the Ministries and constitutional institutions. The State Chancellery finds that co-operation with the Department of National Information Systems (DNIS) of the MTC is essential for the co-ordination of the development of the systems. In the second half of 2000 the State Chancellery's co-operation with the MTC was complicated as a result of the transfer of the DNIS, because the MTC as the co-ordinator of the IT area failed to co-ordinate the activities envisaged under the RMP with other major projects quickly enough.

As a general rule, the results of the previous phase of the RMP and the principal activities of the next one are analysed together. For example, the report on managing the Program in 2000 contains the outlines of the working plan for 2001. The Working Groups establish their working plans themselves. The reports of the progress of the entire Program are reviewed by the Program Board and approved by the State Secretary.

**Conclusions**

The planning of the RMP has taken account of some other projects, where applicable. However, the Framework Program does not determine the relationship between the various projects (which are the inputs for others and which depend completely on the other ones). This implies that overall the interdependencies have not been taken into account adequately. The unstable plans and financing make the interrelations between projects too dynamic and difficult to control.

**Involving as many agencies as possible in pilot projects must compensate for deficiencies in the management procedures of programs between government areas.**

The co-ordination between the horizontal projects of different departments has been organised inadequately, whereas the management of development works has been

strongly decentralised. The DNIS transferred to the MTC still has no specific powers to manage the IT issues of the country, which, in principle, makes it impossible to implement the National Information Policy in a systematic manner.

**Proposals**

The Chancellery should promote co-operation with other e-government projects more actively, since most of the solutions developed in the framework of the RMP find the end users through these projects. It would also help to avoid the duplication of effort in developing the matching elements of projects and to achieve a better timing in the application of the results of the projects.

# 3. Substance

### 3.1. Preliminary study

In this Section we examine whether the launching of the RMP was preceded by a preliminary study to determine its feasibility and the possible technical and functional requirements and to find alternatives. The relevant criteria and findings (14.1 to 17.1) are described in greater detail on pages 17 to 18 of the report of findings annexed to this document.

The State Chancellery sees the preliminary study for the determination of the technical and functional requirements as the core element of the Program. However, the generally recognised practices do not justify this position. The success of large and complex projects is usually based on a thorough preliminary study preceding the project.

The minutes of meetings held before the official start of the Program make no reference to finding possible alternatives. The summary of the preliminary analysis submitted to the Government at its session of February 1, 2000 does not describe the methods of drawing the conclusions. Also the later RMP meetings have referred to the Program plan provided. The Program documents from the beginning of 2000 mention preliminary negotiations to be held for the purpose of carrying out a study necessary for developing the strategy, but later documents say nothing about the said study.

**No preliminary study was carried out in accordance with good practices before the commencement of work. The Working Groups include specialists, whose knowledge is used to find the best solutions.**

With the exclusion of projects contributing to the development of the information society in Estonia financed through the Estonian Informatics Centre, the only study was an enquiry carried out by the State Chancellery in January 2000 in order to determine the situation of records management in the Ministries. The enquiry did, to a certain extent, cover the administrative practices of the agencies and the situation with records management software, but it excluded aspects like the technical facilities (the applicable operation system, available hardware, specifications of the records management software) or the agencies' expectations to the upcoming RMP. Without knowing the effective needs of the users it's difficult to complete such a project successfully. For example, the enquiry carried out by the SAO in February 2001 indicated that the software of more than one third of the Ministries and constitutional institutions does not allow using digital signatures or creating an archive of electronic documents.

Given the innovative nature of the Program the specialists of the Working Groups usually discuss the options in the course of work. The choices between alternatives made on the higher level of management have not been documented for this Program or any other project.

**Conclusions**

The questioning of users indicated the technical specifications of the project only to a certain extent. The preliminary study has not determined the alternative ways of achieving the desired result, neither have the relevant feasibility analyses been made.

**The possibilities and needs of the future users should be analysed on a continuous basis. Before launching any new subprojects a preliminary study should be carried out.**

**Proposals**

We recommend the State Chancellery to carry out the appropriate preliminary studies before launching the next subprojects in order to assess the possible alternatives and the cost of their implementation.

### 3.2. Substance and logic of the RMP action plan

In this Section we use the help of experts involved in the audit to examine whether the RMP action plan is logically structured, exhaustive and purposeful. This examination was done by way of comparing the theoretically created ideal model of the RMP action plan with the effectively launched projects and the achieved results. The relevant criteria and findings (18.1 to 18.8) are described in greater detail on pages 18 to 19 of the report of findings annexed to this document.

The entire action plan is broken down into logical sections and respective subprojects have been launched. Unfortunately, the interconnection between the projects lacks. And as a consequence, the outputs of one project are not produced in a timely manner to constitute the inputs for another. The project reports often fail to explain how the project is linked to the integrated solution, which could be used for the application of uniform principles both in the organisation and technological applications of records management.

**Nearly all the necessary subprojects have been launched. Unfortunately, the interconnection between the projects lacks. And as a consequence, the outputs of one project are not produced in a timely manner to constitute the inputs for another.**

Only the report drawn up in May 2000 on the process models of administrative documents can be deemed good as it describes, in sufficient detail, the types of documents and the procedures for their processing. In addition, the uniform bases of administrative procedures have successfully established the legal basis for the management of digital documents.

The uniform bases of administrative procedures set out a number of requirements and conditions to the establishment and keeping of the document registers of agencies, but the document register necessary for information exchange is yet to be structured. Neither has

the RMP solved the problem of ensuring the comprehensiveness of the registers, since the use of digital signatures alone is not enough.

There is no single system of terms, which would avoid confusion in the interpretation of various documents and their status. There is no specification in the form of a technical standard that would cover the scope of all digital documents.

The digital signature has not been adequately specified. The RMP has not provided a solution to the problem of how to connect the author and his position clearly in the document so that it could be verified and that the costs would be reasonable. The RMP reports include no comparative analysis or reasoning to allow the establishment of the specifications.

The “Instructions for the Storage of Digital Documents” developed under the RMP solve many problems, but some questions still remain. For example, the uniform bases of administrative procedures require the printing of digital documents in certain cases, which could be impossible without prejudicing the quality of data. The instructions don’t list the data media acceptable for the storage of digital information or how to act in changed circumstances.

The integration of administrative documents and registers designed in the form of relational databases has been omitted altogether. Although this could be seen as the next phase of the RMP, more active development work in this area would be reasonable already now.

Since it’s quite an innovative project also in global terms, all the obstacles cannot be foreseen in the case of the RMP. It’s worth noting that the pilot projects have been carried out with sufficient expertise, which allows testing the planned solutions and provides instructions for improvement.

**Conclusions**

The RMP action plan covers a considerable part of the activities necessary for the achievement of the goal. However, these activities have a weak connection and do not constitute a single project.

The phase of studying the public administrative documents has been successfully completed. The specification of the properties of digital documents should continue and involve data security specialists.

The development of the rules of filing digital documents and the respective technical specifications should be continued.

Since the Estonian software market offers software products that support the digital signature and certification, there is reason to believe that the technical standards allowing the management of digital documents will be successfully established under the RMP.

The pilot projects under the RMP have contributed to the progress of the Program, although the results of the said projects need to be communicated on a wider basis and call for closer co-operation with other similar projects.

**Proposals**

In order to ensure the success of the RMP we recommend the State Chancellery to:

- improve co-operation between the different Working Groups involved in the Program so that the individual elements of the Program would constitute a single project, and take this into account already in the phase of awarding subcontracts;
- involve data security specialists in the implementation of the Program, because a number of problems – the comprehensiveness of the digital document register, the attachment of additional requisite elements, retaining the evidential value of digital information over a longer period etc – are related to data security and cryptology;
- foster closer co-operation with the average databases (X-way) project that currently deals with the problem of authentication of similar officials by means of certificates, which is also a concern of the RMP.

The more difficult part of the Program is still ahead. Co-operation with other e-government projects and greater involvement of specialists should guarantee success.

# 4. Program management

## 4.1. Program organisation

In this Section we examine the organisation of Program management and assess the possibilities of different management levels to perform their functions. The relevant criteria and findings (19.1 to 22.5) are described in greater detail on pages 19 to 21 of the report of findings annexed to this document.

For the purpose of implementing the RMP the State Secretary issued a directive in April 2000 to appoint a Program Manager. Soon after that the Program organisation based on Working Groups was set up. The Program Board was to be the Supreme Body co-ordinating the work, but it was established a year later, in April 2001. One of the likely causes of delay was the reorganisation of the government's IT management (the DNIS was transferred to the MTC) and the consequent long-standing lack of clarity as to the staffing of offices entailing responsibility.

**The Program organisation has been set up to manage development works. Unfortunately, its rights and duties have not been determined all the way.**

The situation with the rights, duties and responsibilities of the parties to the Program is unclear. The RMP documents and Directive 100 of June 30, 2000 of the State Secretary list the tasks of different Working Groups, but do not provide for the authority and duties related to the performance thereof. The Program management tasks include organisation of co-operation between the Program Working Groups, review of the timetable and final results of Working Groups, and checking compatibility between the final results and the tasks.

The position of a quality inspector has not been included in the Program organisation. Obviously this is not necessary in such a small organisation. Responsibility for quality control lies with the State Secretary and the Director General of the State Chancellery, as both of them have to endorse the Program reports.

The wording of quality requirements in the contracts is very general (according to the standard text the contractor is required to ensure the quality of works, but the quality criteria are not given). The State Chancellery has implied that it is interested in the best possible results by having the quality of reports assessed. Unfortunately, the problem is the same – inability to establish specific requirements.

**The wording of quality requirements in the contracts is very general (according to the standard text the contractor is required to ensure the quality of works, but the quality criteria are not given).**

The documents concerning the launch and implementation of the RMP make no reference to effective liability for the success of the Program. According to the statutes of Information Systems and Administrative Department of the State Chancellery the Head

of Department (in this case the Program Manager) shall be responsible for the timely, accurate and legitimate performance of the Department's tasks. Similar provision can be found in the "Duties" section of the job descriptions of the Department's staff. However, it's not possible to determine the direct consequences of failure with regard to the Program Manager or management. In addition, there are no specific criteria for measuring successfulness, which would enable assessment of the performance of the Parties to the Program. In most cases the tasks have been set out, but not accompanied by any rights or duties.

**Conclusions**

A functioning Program organisation composed of specialists has been established. However, the management committee (Program Board) was set up only during the audit. It is likely that the lack of this Board hindered wider co-operation between different agencies.

According to the available information, the Members of the Board chaired by the State Secretary should be able to perform the functions imposed on it.

Whereas only tasks of the RMP Working Groups have been determined, and not the rights, duties and responsibility, the chains of control are not clear enough. It follows that the relationship between them cannot be assessed.

The Program Steering Group has not designated a person to verify the quality of different subprojects. In principle the responsibility for quality control lies with the State Secretary and the Director General of the State Chancellery, as both of them assess quality before endorsing the reports. Whether this is actually done and the applicable criteria are not known. Considering their workload, it is most likely that the above officials are unable to exercise effective quality control.

**The State Chancellery has failed to define the responsibilities and obligations of the Parties to the Program and the performance quality control system in a clear manner.**

**Proposals**

For the purpose of improved Program management we recommend the State Chancellery to:

- clearly define the rights, duties and responsibility of the Parties to the Program. This includes the Program Manager, Working groups and the Program Board;
- indicate in the contracts the quality requirements to the commissioned works, including the applicable assessment criteria.

## 4.2. Target groups

In this section we take another look at the target groups of this Program and try to find out whether the future users have been able to express their opinion. The relevant criteria and findings (23.1 to 25.1) are described in greater detail on pages 21 to 22 of the report of findings annexed to this document.

The RMP strategy defines the target groups as including the Ministries, the Boards and Inspectorates, offices serving constitutional institutions, and the State Chancellery and county governments. The Program doesn't see the entire public sector as the target group.

**In principle, the target groups of the Program are all entities that currently process paper documents. First of all, the results of the Records Management Program are intended for use in government agencies.**

The State Chancellery has, in the RMP strategy, pointed out as an important aspect that the needs of the users have to be observed both as regards the technical side and functionality of the information system and the introduction of user support. According to the development principles and the strategic plan for the development of standards the RMP Steering Group shall inform the target groups about the activities and analyse feedback. According to the strategy the needs of officers engaged in administrative procedures and processing of documents shall be given priority in the development of technological solutions. Unfortunately, there are no specific action plans for implementing the principles in question.

The descriptions of different development phases given in the strategy point out the need to monitor the situation and processes. As said above, in January 2000 the State Chancellery carried out an enquiry in order to determine the situation of records management. However, this data has become outdated.

The RMP strategic document describes the functions to be performed by the Parties (the RMP, the head of agency, IT Manager, person in charge of administrative procedures and the user) in the framework of their co-operation in order to achieve the goals. However, the document does not explain how the Parties should co-operate and what are the preconditions.

The Departmental Information Systems Working Group, which initiated the RMP, can be seen as the representation of some target groups. The representatives of target groups also participate in the pilot projects under the RMP. The representatives of the government sector bodies are partly involved in the Program work through the Working Groups (IT Support Working Group, Document Life Cycle Working Group and other ad hoc Working Groups). As a rule, these representatives are IT Managers or the heads of administrative departments of agencies. Under the RMP meetings have been organised with the officials responsible for the administrative procedures of the Ministries and the offices of constitutional institutions as well as the representatives of IT companies. Furthermore, a number of seminars have been attended.

The enquiry carried out during the pre-study encompassed 17 agencies (12 Ministries and 5 constitutional institutions) showed that co-operation with the Chancellery varies from agency to agency. As regards awareness of the RMP the agencies are grouped in two, one group finds that they have been sufficiently informed, the other thinks that there is a complete lack of information.

**Half of the agencies questioned find that they have been sufficiently informed, the others think that there is a complete lack of information.**

The enquiry in question shows that the target groups haven't understood the expected outcome of the RMP in the same way (i.e. whether the RMP should create the necessary environment for records management or, for example, recognise some suitable software products for agencies to choose from etc). This could be a result of the distribution of important information between the reports on different subprojects and of the lack of a compact and comprehensive presentation of the Program on its web page.

The second enquiry that the SAO carried out among software companies revealed that despite monitoring the RMP web site and taking part in different seminars the companies were not quite familiar with the principles, current situation and developments of the RMP.

**Conclusions**

The target groups have been specified. A few representatives of target groups were involved in launching the Program work. Recently the Program management has intensified communication between the target groups and Program actors, but the communication with target groups still lacks effectiveness. This could add to one of the major risks of the Program – not taking account of the users' needs. In most cases, this has been the main reason why the projects for the development of information systems have failed.

**First, the Program results should be implemented in pilot agencies and thereafter the scope should be extended to include other government agencies. Further activities should be based on the general principles of the Information Policy.**

Monitoring of the external requirements and work with target groups is irregular. However, the Program management has specified the extent up to which the Program must take account of external factors.

**Proposals**

In order to improve the presentation of the results of the RMP and take full account of the possibilities and needs of target groups we recommend the State Chancellery to use the web page more intensively and address the relevant management levels of the government sector directly.

### 4.3. Evaluation of results

In this Section we examine how the achieved results are evaluated and whether the reporting and monitoring system allows assessing the cost of resources and taking measures in case of deviations. The relevant criteria and findings (26.1 to 29.1) are described in greater detail on pages 22 to 23 of the report of findings annexed to this document.

For the State Secretary the Program should lead to a situation, where the recommendations and standards concerning digital administration between agencies have been developed and introduced by 2003. However, the Secretary has not clearly pointed out the criteria for assessing whether all the necessary recommendations and standards have been developed and for determining the penetration.

**Considering the importance of the Program to public administration, the issue of implementing the Program results should be addressed to the Government in the autumn and the latter should find a solution that allows co-ordinated action of the government sector in this regard.**

The RMP strategy contains a number of expected results together with the time limits for their achievement. In general, this timetable has been complied with. Some phases have been completed early and some have been delayed for a month or two.

The State Secretary endorses the RMP progress reports (three or four reports a year were envisaged, but currently only two have been endorsed). The Director General of the State Chancellery endorses the reports on the results of subprojects. The Secretary has been satisfied with the current results of the RMP. According to the explanations of the Chancellery the system of monitoring the RMP results relies on the comparison between the set targets (the initial tasks specified in contracts) and the achieved results (whether the expected result was achieved).

A common problem is the fact that the determined criteria do not allow direct comparison of the quality of results with the expected quality, since the criteria are set as general objectives. The required regular reporting has not taken place. The commissioned works, however, have been monitored in line with their completion.

**Conclusions**

In most cases, the achievement of the expected results of the subprojects is used to assess the successfulness of the Program. However, the assessment criteria are not clearly determined beforehand, which complicates the purposeful management of the Program and the verification of the results.

The management receives regular reports, although not as often as planned. As a result, the management may not always have an overview of the status of the Program and the development opportunities.

In most cases the results tally with the timetable, the entities bearing the overall responsibility for the Program are posted on the developments and usually they know the reasons for deviations from the timetable.

**In most cases the results tally with the timetable, the entities bearing the overall responsibility for the Program are posted on the developments and usually they know the reasons for deviations from the timetable.**

**Proposals**

For the purpose of more effective evaluation of the RMP results we recommend the Chancellery to fix the criteria in writing to evaluate the outcome of each contract. Already before the signature of a contract it should be known how to evaluate the results (who and when and on the basis of what). Also, performance indicators should be determined for the entire Program.

We recommend the Chancellery to review the RMP reporting system, taking account of the relevant functions of the recently established RMP Board.

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