

State support to local authorities in developing the information society

Audit report No. OSV-2-6/06/85 of 29 September 2006

Summary

The National Audit Office audited the support provided by the state to local authorities upon development of the information society. In the course of the audit the opportunities of the rural and urban population and their desires upon consumption of benefits, the successfulness of the local authorities upon application of information technology solutions and upon performance of information technology requirements arising from legislation were investigated during the audit.

Although Estonia has gained international acknowledgement as a successful and enthusiastic developer of the information society, the National Audit Office finds that not all the sides of the e-state and the information society have received equal coverage. So far information technology solutions, requests and needs of local authorities have been left out of the overall organised development of the information society in the state. There are state endeavours meant for the local level, notably the successful Tiger Leap and Village Road projects as well as establishment of Public Access Internet. At the same time these activities have been aimed directly at the population, while the needs and difficulties of the local authorities themselves have been left without attention. The local authorities have not received sufficient support from the state in developing the information society.

As a result of the gap between the state and the local level in developing the information society the inevitable loser will be the citizen for whom the service providing level or authority is irrelevant when communicating with the public authority and consuming public services. For the citizen the speed and convenience of provision of the service are important and it should be the priority for the public authority as well. If the local authority has it difficult to fulfil this expectation of the citizen, the state's duty is to provide support.

According to the National Audit Office, the state has not paid enough attention to involving the local authorities in the development of the information society. Provision of the state support or coordination of the area to that end has not been made the duty of any agency. The duty of the Ministry of Economic Affairs and Communications is to coordinate the development of the state's information systems and to point to the direction of development of the information society on a broader scale. The duty of the Ministry of the Interior and the Minister of Regional Affairs is to plan and coordinate the development of the local authorities. There is a missing link: no one is responsible for planning and coordinating the development of the local information society. This is necessary for balanced regional development as well as for helping the tired Estonian e-tiger back to its feet.

In the current stage of development of the information society as a whole it is necessary that the Government of the Republic pay more attention to the area at the level of the central and local government.

Main conclusions

- Although the number of computer owners and Internet users has constantly grown in Estonia over the last five years, the digital divide between urban and rural households is increasing.
- 37% of the population aged 15-74 years cannot use a computer. However, a third of them would be ready to learn it with state support.
- The state's central information and service portal has not been widely accepted, local authority websites do not usually have mutual links and no common service space has been developed on the Internet for the population in spite of the existence of the prerequisites.
- The state's information policy and development plans stipulate involvement of the local authorities in the development of the information society, but there is no organisational structure or a mechanism for financing the work to that end. Coordination of the development of the information systems of the local authorities and the information society is not yet a specific duty of any agency.
- Attending to the problems of the information society is beyond the reach of most of the local authorities. At least half of the local authorities need direct support from the state in the

substantive as well as technical issues of development of the information society. The local authorities find it difficult to fulfil the requirements provided for in acts regulating administration of websites and disclosure of information on websites.

- The scheme of coordination of the information and communication technology area of the state is not in compliance with the current situation. The duties of the ministries and the State Chancellery as the advisor, coordinator and supporter of the information technology endeavours of the local authorities are vague and uncoordinated.

Main recommendations

To the Minister of Economic Affairs and Communications

- To initiate the reorganisation of the Council of Information Technology into the Information Policy Committee of the Research and Development Council (in addition to research policy and innovation policy committees) in order to take the discussion of the strategic issues of the information society to the level of the Government policy and leave the practical coordination of the development of the state's information systems to the Ministry of Economic Affairs and Communications.
- To continue the implementation of the principles set out in the Estonian broadband strategy for 2005-2007 even after completion of the Village Road 3 project so that broadband connection for data transmission is available in low density rural areas.
- To create in cooperation with the Estonian Informatics Centre a common service space on the Internet for residents on the basis of state portals and the websites of the local authorities in order to fulfil the requirements provided for in the Public Information Act, Digital Signatures Act and Local Government Organisation Act.

To the Minister of Regional Affairs

- To create the position of the county IT manager in county governments, whose duty is to coordinate the information technology applications of the state agencies in the region in cooperation with the county development centre, advise local authorities and the agencies administered by them in central information technology solutions. To restore the work of the IT council in county governments and to support reinannual accounts of relevant work groups in counties.
- To develop a competency centre and a network for coordination and support of the information technology development of the local authorities on the basis of the recommendations set out in the IT Interoperability Framework and the Information Society Development Plan Implementation Plan.

To the Minister of Education and Research

- To organise a follow-up Look@World project 2007-2010 in cooperation with the local authorities (free computer and Internet training for the population) to train 20,000-30,000 people a year.

To the Minister of Social Affairs

- To compensate the unemployed, people of retirement age and disabled persons for the costs of establishing an Internet connection as a one-off support on the basis of expense receipts, in order to involve them in working life.

The replies of the Ministers and the State Secretary to the recommendations of the National Audit Office and the positions of the Association of Estonian Cities and the Association of Municipalities of Estonia have been presented at the end of the audit report.

The Minister of Economic Affairs and Communications does not consider reorganisation of the Council of Information Technology into the Information Policy Committee of the Research and Development Council reasonable. The remaining recommendations of the National Audit Office coincide with the positions of the Ministry of Economic Affairs and Communications and they have been taken into account upon drawing up the Information Society Development Plan and planning the structural aid of

the European Union for 2007-2013.

The Minister of Regional Affairs basically agreed with the positions and conclusions of the audit report, confirmed the need to develop the area as a priority and the readiness of the Ministry of the Interior to plan and carry out any activity in cooperation with all the institutions of the state and local authorities. One possibility suggested by the Minister of Regional Affairs is round table discussion between the officials of the Ministry of Economic Affairs and Communications and the Ministry of the Interior.

According to the National Audit Office the Minister of Regional Affairs must ensure that the round table discussions do not end up as simply a place where the responsibility for the area can be shifted to the Ministry of Economic Affairs and Communications. It is the Ministry of the Interior that must plan measures, ask for money and start supporting the activities developing the information society aimed at the county governments and local authorities.

The State Secretary does not consider reorganisation of the Council of Information Technology into the Information Policy Committee of the Research and Development Council reasonable. The State Secretary did not consider it reasonable to emphasise in the Government of the Republic Act and the Statute of the State Chancellery that the coordination of the transition to electronic records management in the local authorities is the duty of the State Chancellery. In his reply the State Secretary explained the development of electronic records management in Estonia and the relevant activities of the State Chancellery aimed at the local authorities.

The National Audit Office finds it regrettable that the State Secretary does not consider it necessary to stipulate the coordination of the transition of the local authorities to the electronic records management as the duty of the State Chancellery in a situation where the failure to determine the specific competence, obligation and responsibility is clearly the reason for the lag of the local authorities in the area.

The Minister of Finance agreed to the position that the local government units would have it easier and more reasonable to attend to the problems of the information society in coordination with other local government units and jointly with the state. The Minister of Finance explained in his reply the procedure for development and collection of the standards of public service.

The Ministry of Culture agreed to the conclusion of the State Chancellery that introduction of the information technology solutions in the administered cultural institutions needs greater attention from the Ministry of Culture. According to the explanations of the Minister of Culture, the provision of the public libraries with computers and Internet connection by 2002 proved to be difficult due to the short deadline and limited resources. The duty provided by law was performed by the end of the first half of 2005.

The Minister of Education and Research considers it reasonable to organise a free follow-up Look@World project for the population in order to train them in using computers and the Internet. In the Ministry of Education and Research the respective resources have been planned and training will be in 2007.

In his reply to the National Audit Office **the Minister of Social Affairs** focused only on one target group – disabled people. He finds that compensating the costs of installing an Internet connection should take place pursuant to the procedure for allocation and payment of support by the local authorities.

According to **the National Audit Office**, the Minister of Social Affairs should seriously consider finding resources for realisation of the recommendations, because it would increase the possibility of finding a job for pensioners, the unemployed and the disabled and bring valuable additional labour force to the labour market.

The Minister of Justice responded that he does not see any reason why the state and the local authorities could not have joint information systems in providing and financing the public e-service according to the amendments to the Public Information Act, which are being drafted. The Minister of Justice also finds that according to the new wording of the Public Information Act the local authority is obliged to disclose

public information on its website.

National associations of local authorities welcomed the positions of the National Audit Office and consented to the conclusion that the development of the area is very important. **The Association of Municipalities of Estonia** finds that the coordinated development of the area on a uniform basis has not been paid sufficient attention and the state support to that end is required. According to **the Association of Estonian Cities**, it is important to learn from the mistakes and use the possibilities of central IT solutions in the future.

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