

Availability of state services in counties

Are state services available outside Tallinn as well?

Report of the National Audit Office to the Riigikogu, Tallinn, 10 May 2010

Summary of audit results

In the last five years the National Audit Office has drawn attention to relations between the state and its people, amongst other things examining whether the state is easy to deal with. The quality of e-services in information society was audited in 2007, but this audit report focuses on the services that people can obtain by visiting state agencies. We observed whether the services of state agencies are available in counties, how is reorganisation in state agencies planned and coordinated, and whether there is a balance between the expenses and objectives of reorganisation.

Assessing the availability of services is one option for measuring the welfare of people. The local chosen by a service provider has an impact on the quality of people's lives and limited opportunities to use services are one of the reasons behind the economic backwardness of certain regions. It is a duty of the state to organise the activities of its agencies in such a manner that everyone can exercise their rights and meet their obligations easily and in reasonable time. The state provides services that people can use when visiting a state agency today and it will be doing so in the future. The availability of these services in the entire state must be as similar as possible.

State services are not available in all counties. The client services of all of the agencies analysed in detail were available to clients in just four of fifteen counties (see Table 3). It can be concluded from the analysis of access to the Citizenship and Migration Board and the local pension offices of the Social Insurance Board that even services which are provided in all county centres remain difficult to access for around 30,000 people in Estonia – more or less equal to the entire population of Põlva, Jõgeva, Saare or Valga Counties. The National Audit Office believes that closing client service offices and reducing the scale on which services are currently provided would deteriorate the availability of state services and increase the expenses of people living outside county centres.

No comprehensive overview of the availability of state services in counties has ever been prepared, which is the reason why it is not regarded as a problem. There is no agreement in the state about which services have to be offered in counties, and at what level. Ministries also lack a common understanding of the principles of designing a network of state agencies. The National Audit Office therefore sees the risk that the increasing pressure on the budgets of ministries will reduce the availability of services.

- **Availability to state services is the worst in Lääne-Viru County and Lääne County.** The services of four of the analysed state agencies are not available in all counties.
- **The Minister of Regional Affairs should be more actively involved in the formulation of the state's regional management in order to guarantee that the services of state agencies are evenly available in all counties.** The Minister of Regional Affairs does not always have a comprehensive overview of the regional impact of reorganisation, incl. the availability of state services. The availability of state services has not been regarded as an important issue of regional policy.

- **The state does not have an accurate and regularly updated overview of the services that state agencies provide and where they provide them.** The national register of state and local government agencies does not provide an overview of this. However, such an overview is important for people who use the services as well as the state officials, who have to provide information to clients. An accurate register is an important tool for the Ministers of Finance and Regional Affairs in meeting the obligations they coordinate.
- **The general principles of the location of state agencies have not been agreed and the service network of state agencies has developed with the focus on one agency.** Ministries have still not prepared the regional location plan of agencies in their area of administration or the network strategy, which was supposed to be completed in 2006.
- **The alternative is to base the state's service network on regional centres rather than on country centres, but this cannot be carried out rapidly or at low cost, and it would not guarantee the current level of the availability of state services.** There are several reasons: the land area of regions is different in the case of several agencies, regional centres do not coincide and the state's infrastructure (incl. organisation of public transport) is built on the basis of county centres.
- **The reorganisation of state agencies, which was reviewed in the course of the audit, highlights the tendency that jobs in the public sector disappear in counties that are not the regional centres of state agencies, and the concentration of jobs in Harju County increases.**
- **State agencies are reorganised according to the needs of the organisation.** Improving access to services is not one of the main goals of the reorganisation and the impact of reorganisation on the availability of services is not measured before or after the reorganisation. Reorganisation is largely based on the optimisation of expenses and management. The National Audit Office did not identify any aspects of reorganisation that proceed from the problems of the people who use the services and are aimed at resolving them.
- **There are no reliable calculations of the cost of reorganisation and savings are not measured.** Information about the potential cost of reorganisation varies greatly, depending on the source that gave it. Saving money is not seen as an important goal of reorganisation and it is questionable whether any money will be saved at all. The ability of the Ministry of Finance to analyse the savings achieved in the state budget with the reorganisation of state agencies and to advise state agencies about possible opportunities to save money is not sufficient.

Recommendations of the National Audit Office

- The Minister of Regional Affairs should take charge of the development of regional policy principles, which concern the formation of a network of state agencies, whilst considering the objectives of regional development. Ministries must prepare location plans of the state agencies in their area of government, and analyse and advise agencies that are planning reorganisation about how to guarantee access to services.
- The Minister of Finance has to improve the financial planning of the reorganisation of state agencies and its compliance with the strategic planning system.
- The Minister of Justice must improve the legislative drafting system to ensure that there are suitable guidelines for assessment of the impact of legislation and to identify who is responsible for impact assessment.
- Other ministers must guarantee that the agency network in their area of government supports the achievement of the goals set in the regional development strategy.

Responses of the Ministers

In general, the Ministers found that the audit was important and focused on a field where the area of responsibility has still not been fully determined and which lacks agreement in important principles.

The **Minister of Regional Affairs** promised to find the best way for reaching an agreement about the principles and criteria of service availability and analyse the subject of the regional location of state agencies during the updating of the regional development strategy by the end of 2012. The action plan of the regional development strategy will be updated by the same time.

The **Minister of Finance** promised to update the register of state and local government agencies by the end of 2013. The plans include a review of the development plans of the organisation in the course of the development of strategic management methodology to ensure that they incorporate the issues associated with the regional location of agencies when the state budget strategy for 2012-2015 is prepared.

The Minister of Finance admitted that the requirements to analysing the reorganisation expenses and expected income must be specified.

The **Minister of Justice** promised to complete the work of the workgroup, which analysed the impact of legislation and if necessary, change or update the Rules of the Government of the Republic and the Government Regulation *Rules of Legislative Drafting of Legislation of General Application* dated 8 September 1999, on the basis of the relevant proposals made by the workgroup.

The **Minister of Economic Affairs and Communications** promised to review the service level and quality standards of public transport in counties and update the relevant regulation of the Minister of Roads and Communications in this respect.

Finding a quick solution in the improvement of service availability may not always be possible, but both ministers and the heads of agencies promised to pay more attention to the availability of services in the future. Some of the recommendations made by the National Audit Office have already been put in practise.

Although some of the auditees through that the audit assessed services that are rarely used and where the solution of problems lies in a better organisation of public transport, the seriousness of the problem is emphasised by the concern expressed by several auditees in the responses – there are no general principles for organising the regional location of state agencies and budget cuts reduce access to state services.

Tarmo Olgo
Audit Director, Performance Audit Department