
Reform of support services in Estonian government sector

Background

Status

Future plans



Background

- Responsibility for strategic development is with MoF, Public Governance Policy
 - Personnel and salary;
 - Real Estate;
 - Accounting;
 - Procurement;
 - *Budgeting;*
 - *Electronic Document movement & logistics.*



Background

- Strategic direction:
 - ❑ Centralised real estate administration (2006);
 - ❑ Centralised rules for personnel and salary accounting (2008);
 - ❑ Centralised bookkeeping (2003);
 - ❑ ~~Centralised rules for budgeting (2007);~~
 - ❑ Centralised document management system profile (2006);
 - ❑ E-procurement environment (2008).



Background

- Government decision in March:
 - MoF presents the proposal for SSC for bookkeeping
- MoF proposal in May:
 - SSC-format suitable also for other support services;
 - Bookkeeping alone does not give desired effect
 - Reduction of costs
 - Improvement of management information quality
- Government decision in May:
 - MoF presents the action plan for SSC creation for all support services



MoF launches a project

- Service processes to be analysed:
 - Financial accounting;
 - Bookkeeping;
 - Personnel- and salary accounting;
 - Procurement service;
 - Real estate administration;
 - E-invoicing and document routing in support services;
 - *Primary customer service in terms of public services*



Objective of consolidation

- **Reduction of governance costs through standardized and automated processes, and optimization of human resource.**
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MoF proposal to Government

- Analysis of current situation
 - Analysis of international practice
 - Operational model of SSC
 - Investment needs
 - Cost-benefit analysis
 - Action plan
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Current Status

- First draft to be reviewed August 18;
 - Second draft to be reviewed September 3;
 - Proposal to the Government September 17
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Project methodology

- Subgroups for different service processes
 - Led by experts from MoF
 - Supported by small expert teams from other ministries
- Legal advisor across all areas of interests
- Data collection, brain-storming sessions



Suggested strategy for the reform

- Government agencies must determine their needs as customers;
- In transfer process, SSC must gain management control over the service processes that are to be transferred;
- The actual optimization of transferred services is a longer process;
- Transfer date: 2010, January?



Main challenges

- Communication
 - Within organisations involved
 - With the press
- Reduction of (perceived) risks
- Involvement of private sector
- Understanding the needs as a customer



Facts and numbers

- *Material to be presented during the presentation*



Discussion Groups

- Involvement of private sector
 - Benefits
 - Risks
 - At what stage and form considering the later need for procurement of a service?
- Speed and strategy of the reform
 - Fast vs “evolutionary”
 - Develop first and then transfer, or
 - Transfer and let “them” develop



Conclusions from Discussion Groups



Thank you



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