

State Audit Office of Estonia

Country Paper Synopsis for Performance Auditing Seminar in 2001 in Slovenia.

Theme: IT Investment

After Estonia had re-gained its independence the creation of the IT infrastructure of the public sector started practically from the zero. During the first years it was done on the initiative of the offices themselves, since 1993 the directive and co-ordinating mechanisms were implemented on the level of the state. From 1993 to 2000 over 200 projects were financed from the state budget to create information systems and databases. It was typical that by decentralised management the financing of the IT development was foreseen on a separate budget line which could not be spent for other purposes. To avoid possible failures the preliminary realisation risk assessment of development projects was carried out on two levels. At first this assessment was made by the applicant himself and then by the special committee established in the State Chancellery in the relevant administrative area. As the total sum of applications usually exceeded 3-5 times the real possibilities of financing the committee had to propose priorities for the development projects and lower their financing costs taking into account the real situation. The IT level achieved in the relevant administrative area, the existence of necessary personnel for the development and other criteria were also taken into account.

During the preliminary study of the audit "Effectiveness of the state's information systems" we have determined the development projects the results of which were not obvious or have raised questions. After that we carried out the performance audit of the management of these projects with the purpose to generalise the results and bring out characteristic features why IT projects tend to fail.

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