Making it easier to start a business

A report on public sector digitalisation by the Supreme Audit Institutions of the Faroe Islands, Finland, Iceland, Norway and Sweden

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Summary

Background

The Supreme Audit Institutions (SAIs) of the Faroe Islands, Finland, Iceland, Norway and Sweden have conducted parallel audits on government agencies' initiatives for simplifying the process of starting a business using digital tools. The co-operating SAIs wished to highlight an important area for public sector digitalisation. Starting a business was chosen as an audit topic, with focus on the process of starting a restaurant. Simplifying the process of starting a new business using digital tools is an objective in all participating countries, as efficient processes are beneficial for both entrepreneurs and the public sector.

In this report the findings from the five national audits carried out during 2018–2019, are presented and discussed. The report contains general observations and conclusions but no joint recommendations.

Audit scope and approach

The joint audit objective for the national audits was to assess the efficiency of government measures for simplifying the process of starting a business using digital tools.

The following questions have been examined:

- Does the digital process of starting a business create added value for entrepreneurs?
- Are the government agencies' internal processes associated with starting businesses efficiently digitalised?
- Are government agencies co-operating effectively in order to manage and develop the digitalisation process when starting a business?

The SAIs followed an agreed audit approach, including the same audit questions, audit criteria, methodology and approach, while allowing for a certain flexibility to take national considerations into account in the separate national audits.

Observations and conclusion

The governments in the Faroe Islands, Finland, Iceland, Norway and Sweden have taken steps to simplify the process of starting a business through public sector digitalisation. Although the degree of digitalisation and the availability of e-services for entrepreneurs vary among the participating countries, some features are similar. Digital information is widely available. A website or a portal, gathering information and e-services from several agencies and providing an overview of the process of starting a business, is available on a national level in most countries. If there are no portals for entrepreneurs, information on how to start a business is available on the relevant agencies' own websites.

However, the national audits concluded that there remain challenges in simplifying the process for entrepreneurs. It can still be a challenge for entrepreneurs to gain an overall picture of what is required for starting a business. When e-services for registering a business are available, most entrepreneurs, but far from all, use e-services rather than paper applications. The availability of e-services and the quality of digital information may vary significantly on a municipal level, which means that entrepreneurs experiences of application processes in different municipalities and regions can vary considerably. The national audits have also identified room for improvement in all countries, albeit in different areas. The areas for development vary from introducing e-services for registering a business, to introducing more sophisticated solutions, such as interactive services or solutions to pre-fill forms with personal information.

An important part of public sector digitalisation is ensuring that the agencies' case handling processes are supported by well-functioning internal processes and it-systems. While all government agencies and municipalities included in the national audits have digital case handling systems within the process of starting a business, there are frequent examples where manual steps are necessary and where the workflow is not efficient. While digital case handling systems have increased efficiency, there is still potential in introducing (additional) e-services, automated processes and developing solutions that allows for information sharing between public agencies.

In some cases, starting a business may require extensive contacts with public agencies. Several of the initiatives and projects for simplifying the process of starting a business are thus the result of co-operations between government agencies and/or municipalities. When auditing the initiatives, the national audits have identified several challenges, related to shared ownership, funding and implementation. Furthermore, the national audits have also identified areas where co-operation and joint initiatives are lacking. A recurring theme in the national audits is the lack of flow of information between governmental agencies, as well as between governmental agencies and municipalities.

Part 1: The parallel audit

Chapter 1 presents an introduction to public sector digitalisation, as well as
the parallel audit scope, methodology and approach. Chapter 2 consists of general
observations and conclusions, based on the findings from the national audit reports.

1 Introduction

The Supreme Audit Institutions (SAIs) of the Faroe Islands, Finland, Iceland, Norway and Sweden[1] have conducted parallel audits on government agencies' initiatives for simplifying the process of starting a business using digital tools. The co-operating SAIs wished to highlight an important area for public sector digitalisation and starting a business was chosen as an audit topic, with focus on the process of starting a restaurant. Simplifying the process of starting a new business using digital tools is an objective in all participating countries, as efficient processes are beneficial for both entrepreneurs and the public sector.

In this report the findings from the five national audits carried out during 2018–2019 are presented and discussed. It contains general observations and conclusions but no recommendations.

1.1 Background and rationale

Digitalisation of the public sector

The governments in the Faroe Islands, Finland, Iceland, Norway and Sweden have ambitious strategies and policies for digitalisation of the public sector. Overall, the strategies and policies for public sector digitalisation have quite similar objectives. For example, the governments in Iceland, Finland, Norway and Sweden have set as objectives that digital services should be the main public channel for citizens and entrepreneurs. There are also several on-going initiatives in all countries with the objective of providing digital public services for citizens and businesses. Government services are increasingly found online, with the objective of improving citizens' and entrepreneurs' experiences and increasing public sector efficiency.[2]

Digitalisation can be defined as "the transformation of all sectors of our economy, government and society based on the large-scale adoptions of existing and emerging digital technologies".[3] In general, the Nordic countries in the parallel audit perform well in international rankings of digitalisation. Finland and Sweden demonstrate strong digital performance in the EU eGovernment Benchmark 2018,[4] and Norway and Iceland[5] perform above EU-average. Looking at digital public services, Finland has the highest score (number one in the EU's Digital Economy and Society Index), while Sweden comes slightly behind (number six).[6] Norway and Iceland also

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[1] Landsgrannskoðarin (FO), Valtiontalouden tarkastusvirasto (FI), Ríkisendurskoðun (IS), Riksrevisjonen (NO) and Riksrevisionen (SE).

[2] EPSON, *Territorial and urban dimensions of digital transition in Europe*, 2018, pp. 1.

[3] Randall, L. and Berlina, A., *Governing the digital transition in Nordic Regions: The human element*. Nordregio 2019:4, pp. 12.

[4] The European Commission, *eGovernment Benchmark 2018: Securing eGovernment for all*, 2018, p. 31.

[5] eGovernment Benchmark 2018 presents the results of the assessments performed in 2016 and 2017 in 34 countries – the European Union Member States, as well as Iceland, Norway, Montenegro, Republic of Serbia, Switzerland, and Turkey. The Faroe Islands are not included in the benchmarking.

[6] The European Commission: *Digital Economy and Society Index Report 2019: Digital Public Services*, 2019.

perform well in the provision of public services, and have a higher level of digitalisation of public services than the EU average.[7]

Although the Nordic countries' public sectors are top performers in international rankings on digitalisation, the development of digital public services is not without challenges. The SAIs participating in the parallel audit have chosen starting a business using digital tools as an audit topic in order to examine in more detail how the national governments and the responsible agencies handle public sector digitalisation.

Simplifying starting a business through digitalisation

Simplifying the process of starting a new business using digital tools is an objective in all the countries that are part of the parallel audit, as efficient processes are beneficial for both entrepreneurs and the public sector. Benefits include less administration and shorter processing times for both entrepreneurs and the public sector.

Depending on the business structure and sector, starting a business can be a relatively complex process. The parallel audit has focused on starting a restaurant as a limited company as an example of starting a business. The restaurant sector is generally a growth industry in the participating countries, which means that relatively many new businesses are started each year. The sector is also heavily regulated, which means that starting a restaurant requires several registrations and applications at both governmental and municipal level.

The process of starting a business varies between the participating countries, but most steps are similar. It is the type of business structure, industry and whether entrepreneurs plan to employ staff, that determines the necessary registrations, licences and permits. Registering a business and registering for tax, VAT and as an employer is conducted at a national (governmental) level. Establishing a restaurant also requires several applications for licences and permits on a local (municipal or regional) level. Municipalities or regions are for example responsible for licences to serve alcohol, licences to serve food, change of use or alterations to buildings, release permits for greasy wastewater and fat separators. The process can require an extensive search for information, and it can be difficult for entrepreneurs to understand the different stakeholders' role, what information is required and in what order the different stakeholders should be contacted. Entrepreneurs can also be required to leave the same information to several governmental and municipal agencies in the application processes.

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[7] The European Commission: *Digital Government Factsheet 2019 Norway* and The European Commission: *Digital Government Factsheet 2019 Iceland*.

There are several ways in which digitalisation of public sector services can simplify the process of starting a business. Examples of government initiatives include providing a digital gateway where information and e-services[8] from public institutions are collected, reducing the administrative burden for entrepreneurs by re-using data that is already known to the public sector, as well as digitalising or automating case handling processes in order to shorten the processing time.

Table 1 Overview of participating countries.

Country	Population[9]	Municipalities	Registered companies 2018	Registered restaurants 2018
The Faroe Islands	50,498	30	277	12
Finland	5,513,130	311	34,000	1,500
Iceland	348,450	73	3,037	85
Norway	5,295,619	422[10]	40,046	729
Sweden	10,120,242	290	66,750	2,434

Digitalisation affects all public operations; the entrepreneurs' expectations of service from the public sector, the public agencies' internal workflow as well as contacts and co-operation between different public agencies. These three aspects – the user perspective, the internal workflow and the collaboration between agencies – are important themes in public sector digitalisation and were chosen as the focus for the parallel audit.

1.2 Audit objective and questions

The joint audit objective for the national audits was to assess whether government measures for simplifying the process of starting a business using digital tools are efficient.

The following questions have been examined:

- Does the digital process of starting a business create added value for entrepreneurs?
- Are the government agencies' internal processes associated with starting businesses efficiently digitalised?
- Are government agencies co-operating effectively in order to manage and develop digitalisation when starting a business?

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[8] E-service: the use of electronic technology by an organisation to provide services to its customers.
[9] Agerskov, U. and Silva Mertsola, S., *Nordic Statistics 2018*, Nordic Council of Ministers 2018, p. 8.
[10] The number of municipalities will be 356 in 2020 as a result of the municipal reform.

The participating SAIs developed common audit criteria for the national audits in order to assess the governments' measures for simplifying the process of starting a business using digital tools:

- An important part of digitalisation is ensuring the user perspective when digitalising public services. Responsible agencies should thus ensure that it is easy for the entrepreneur to gain an overview of what permits are required, in what order the various steps should be taken and that the process is easy to implement.
- Where it improves efficiency, the agencies should use digital case handling systems. The digital case handling systems should be well-functioning, improve the quality of the documentation, facilitate information gathering and, where applicable, facilitate communication with entrepreneurs and improve the quality of decision-making.
- When co-operating for developing e-services, agencies should have defined objectives for the benefits for entrepreneurs, as well as costs and benefits (both qualitative and quantitative) for the participating agencies.

1.3   Audit scope and approach

The co-operation on carrying out a parallel audit on public sector digitalisation was decided by the Auditor Generals of the SAIs of the Faroe Islands, Finland, Iceland, Norway and Sweden at the Nordic Supreme Audit Institutions' meeting in August 2017.

A working group with audit teams from each country was set up. The Swedish National Audit Office chaired the working group. The working group chose starting a business using digital tools as an audit topic, with focus on the process of starting a restaurant as a limited liability company. The five SAIs followed an agreed audit approach, including the same audit questions, audit criteria methodology and approach, while allowing for a certain flexibility to take national considerations into account. [11] Starting a restaurant as a limited company involves several different stakeholders as well as several processes on a national and local level, which means that the national audits encompass several government agencies and government initiatives. The specific agencies and initiatives differ from country to country, depending on areas of responsibilities and national priorities. Due to national considerations, the audits differ somewhat in scope and focus areas. For instance, the Faroese National Audit Office chose to not include audit question number three in the national audit.

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[11]   The co-operation was carried out in accordance to *GUID 9000: Cooperative Audits between SAIs.*

The participating SAIs have conducted interviews at relevant government agencies, reviewed documents, analysed statistics and conducted case studies at a municipal level. Since municipalities are not a part of the SAIs' mandates, the national audits discuss the situation in municipalities to a varying degree. The national audits were conducted by national audit teams during 2018–2019. The national reports of Iceland, Finland, Norway and Sweden have been published during 2019. The SAI of the Faroe Island presents its findings in this report. This report is thus a synthesis of five audits conducted independently by SAIs at the national level. It contains general observations and conclusions but no recommendations.

1.4 Outline of the report

General observations and conclusions from the parallel audits in the Faroe Islands, Finland, Iceland, Norway and Sweden are presented in chapter 2. Examples from chapters 3–7 are also presented.

In Chapters 3–7, a summary of findings, conclusions and recommendations from the national audits are presented for each country.

Chapters 2-7 are structured according to the audit questions; reviewing the applications and registrations for starting a business, the public agencies' internal digital processes, as well as public sector co-operation for digital simplification for entrepreneurs.

2   Observations and conclusions

2.1   Starting a business using digital public services

The findings of the national audits show that the governments in the five Nordic countries have taken steps to simplify the process of starting a business by digitalising public services. Digital information is widely available, and a website, gathering information and e-services from several agencies and giving an overview of the process of starting a business, is available on a national level in most countries. However, a common challenge for the participating countries is that access to information and e-services for entrepreneurs differs at the municipal level. This means that entrepreneurs' experience of the process of starting a business also differs, depending on in which municipality entrepreneurs want to start their restaurant.

Portals for entrepreneurs are widely available

Government agencies in all the five Nordic countries that participated in the parallel audits have digital information on how to start a business. In Iceland, Finland, Norway and Sweden, the information is available at a website dedicated to providing information on different phases of entrepreneurship. The Faroe Islands do not have a specific website dedicated for entrepreneurs. The necessary information is instead available on the relevant agencies' own websites.

In Norway (Altinn) and in Sweden (verksamt.se), the website for entrepreneurs functions as a "one-stop shop", as they contain information from different government agencies related to starting and running a business, as well as e-services for registering a new business. For example, in Sweden, verksamt.se, provides information from approximately fifty agencies on how to start and run a business and collects the e-services for registering a new company and registering for VAT. In Norway, Altinn has a wider scope than verksamt.se as it targets both businesses and individuals, as well as public agencies. In Iceland and Finland, the www.island.is and suomi.fi/ are service portals with information for both citizens and entrepreneurs. At suomi.fi/, suomi.fi/company provides information and an overview of how to start a business. The e-services for registering a company are instead found on other websites in both countries.

More interactive services for entrepreneurs have also been developed to some extent. Suomi.fi/company, Altinn, and verksamt.se have e-guides for starting a restaurant, which gives a customised overview of relevant licences and permits. However, the Finnish audit found that the e-guide at suomi.fi/company does not provide a comprehensive list of the licences and permits required for establishing a restaurant. The suomi.fi/company portal is part of the larger suomi.fi service palette that is intended to support digital development in the public sector. It is based on a background service data resource, where individual public sector agencies are required to describe their services. However, the service providers do not always describe all their services believing that the information is already available on the

agency's or municipality's own website. This causes a problem because it leads to a situation where suomi.fi users may not find the services they are seeking.

Iceland: www.island.is

www.island.is is an electronic service portal, with information for citizens and businesses. So far, relatively few public institutions are connected to the portal. In the fiscal plan for 2019–2023, which the Ministry of Finance and Economic Affairs put before parliament in April 2018, the goal is for 100 of 164 public institutions to have connected to the portal by the end of 2019 and all of them by the end of 2023.

Finland: suomi.fi web/company

The suomi.fi web service provides information and services for different life situations and stages of a company's lifecycle. After identification into suomi.fi, the citizen can communicate with public agencies, grant and request mandates and check the data registered. Suomi.fi/company is one part of the website, maintained by the Population Register Centre, and provides information on different aspects of starting, running and developing a business. A business start-up wizard is available at suomi.fi/company. The business start-up wizard asks questions on matters such as company form, financing and the industry in which the entrepreneur is planning to operate. Based on the answers, the business start-up wizard will produce a checklist of the matters to consider or that are mandatory when setting up a business.

Norway: Altinn

Altinn is an internet portal for digital dialogue between businesses, private individuals and public agencies. Altinn is also a technical platform that government agencies can use to develop digital services. 53 government agencies participate in the Altinn collaboration and use this technical platform to create digital services. The Brønnøysund Register Centre manages the technical solution on behalf of the collaboration and decides how it should be developed. At Altinn, there is a step-by-step e-guide for entrepreneurs in the food and beverage industry, with guidance in starting a limited company and restaurant business, including links to relevant websites for registrations and applications available.

Sweden: verksamt.se

Verksamt.se is a website that gathers information and services from several public agencies, related to different aspects of starting, running and developing a business. Four government agencies work together on managing and developing the website: The Companies Registration Office, the Tax Agency, the Agency for Economic and Regional Growth and the Public Employment Agency. At verksamt.se, there is a general e-guide for starting a business, based on company form, financing and the relevant industry, generating a personalised checklist. There are also specific e-guides for four sectors; starting restaurants, hotels, beekeeping and aquaculture.

In their national audits, the Supreme Audit Institutions of Finland, Iceland and Norway have highlighted problems with the availability and clarity of information to entrepreneurs. One example from Finland is the e-guide at suomi.fi/company, described above. In Norway, there is a lack of information for entrepreneurs on what to do, in what order it must be done, and it is unclear what kind of documentation is

required. This causes uncertainties in the process when starting a restaurant and problems with registering a new business.[12]

The Icelandic audit found that there was a lack of a clear guidance and transparency for entrepreneurs in the process, and the complexity of the overall process was a hindrance factor, especially for entrepreneurs opening a restaurant for the first time. It was also noted that language barriers could be a hindrance, as almost all guidance and documentation concerning establishing a restaurant was in Icelandic.

E-services for registering a business are mostly available

E-services are available for registering a business in Iceland, Finland, Norway and Sweden. In Norway and Sweden, e-services for registering a business are found on Altinn and verksamt.se. In Finland, registration of new businesses is at ytj.fi, a service developed in co-operation between the Patent and Registration Office and the Tax Administration. In Iceland, the only available e-service in the process of starting a business is the establishment of a private limited liability company, which can be done at the Directorate of Internal Revenue's website. In the Faroe Islands, there are no e-services for registering new businesses – entrepreneurs apply by email or on paper forms.

The proportion of entrepreneurs registering new businesses via the various e-services is relatively high. In Norway, the user rate is 90 per cent, and Sweden 83 per cent. In Finland, a majority of the entrepreneurs use the e-service for registration (60 per cent). In Iceland, most registration of new businesses is not done via the e-service, as the e-service is only available for limited liability companies. Of those starting a limited liability company, only 33 per cent use the e-service.

> **Norway: Founding and registering a company in Altinn**
> The Brønnøysund Register Centre offers an e-service in Altinn when founding a company. There are automatic checks in the information form which entrepreneurs fill in.
>
> The next step is registering the company. When entrepreneurs register a company in the Coordinated Register notification (an e-service in Altinn), the information is shared to the Central Coordinating Register for Legal Entities, Register of Business Enterprises, the Volunteer Register, the Value Added Tax Register, the Aa Register, the Business and Enterprise Register at Statistics Norway, registers in the Norwegian Labour and Welfare Administration (NAV) and in the Directorate of Taxes. These registrations are not perceived as different forms by the users since reporting to the registers is coordinated.

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[12] The e-guide for starting a restaurant was published in February 2019. It was not possible to evaluate to what extent the e-guide contributed to a better overview when starting a restaurant because publication was at the end of the examination period for this audit.

In the Swedish audit it was noted that while the total proportion of entrepreneurs using e-services is high, a closer look at which entrepreneurs chose to use e-services compared to those who chose paper forms revealed significant differences between sectors and business structures. For example, entrepreneurs starting a restaurant as a limited liability company were more likely to use paper forms than entrepreneurs starting other types of businesses.

Availability of e-services on a local level varies

Municipalities are important stakeholders when starting a restaurant. A varying degree of digitalisation in municipalities is common to all countries, which affects the availability of digital services for entrepreneurs. A finding from the case studies conducted in municipalities in the national audits, was that digital information on how to start a restaurant was always available at the municipal or regional websites. Most of the studied municipalities in Finland, Norway and Sweden had e-services for some of the necessary applications, but not for all.

For example, in the Finnish audit, building permit applications in the studied municipalities were nearly all submitted via e-services. However, there were no e-services for applications for licences for serving alcohol as they were submitted as email attachments or by mail to Regional State Administrative Agencies (AVIs).

Finland: Applying for a building permit is a digital process for citizens and entrepreneurs
In the three municipalities visited during the audit, almost 100 per cent of the applications for a building permit were received through e-service, although it was not mandatory for the applicant. In digitalising the building supervision process, municipalities have primarily focused on the processing of permits.

There are two competing information systems aimed at building supervision that are widely used by Finnish municipalities. Both systems include e-services for the customer. This has helped to make the process more transparent as customers are able to follow the progress of their applications in real time. From the authorities' point of view there are still some challenges. One practical challenge is that the process cannot be managed in a single system from start to finish. This is usually the case with the system that is used by more than 60 per cent of the municipalities. In addition, the e-services may not be easy for non-professionals to use.

The selected municipalities in the Norwegian audit had digital solutions for several of the application processes, but not for all. It also varied whether it was mandatory to use e-services, or if the applications could be sent on paper. The audit also showed that entrepreneurs who were about to start a restaurant often found it difficult to get an overview of what information and documentation the municipalities require. Lack of information could lead to incomplete applications for licences or that the entrepreneur misses applying for the necessary permits, for example for approval of use or alterations in buildings and for a permission to release fat-containing wastewater.

The audit in Sweden found that in smaller municipalities, it was sometimes difficult to see the need for digitalising the case handling process or developing e-services, as there were so few licence applications each year. Although business issues and

entrepreneurship are important for municipalities, municipal digitalisation tends to focus on areas with larger numbers of cases in order to ensure a reasonable cost/benefit ratio. These areas are mainly found in the municipalities' core areas such as schools and care, as well as in construction and community planning.

The Icelandic National Audit Office did not focus in detail on the level of digitalisation in the different municipalities, but in a brief overview it was found that the level varied between them. There are many municipalities in Iceland (73) and they are different in size, and therefore differently prepared to implement and adopt electronic licence application processes.

Initiatives for reducing the administrative burden of entrepreneurs in all countries

The governments in Iceland, Finland, Norway and Sweden aim to reduce the administrative burden for entrepreneurs through digital tools, for example, by integrating databases and sharing data among different public agencies. The national audits identified initiatives in Norway and Sweden to reduce the administrative burden for entrepreneurs through digital tools. The Icelandic and Faroese audits also identified examples for facilitating the application process for entrepreneurs, although not by using digital tools.

In Sweden, there has been a digital service since 2015 which aims to reduce entrepreneurs' information reporting to public agencies by pre-filling agencies' and municipalities' e-services with the entrepreneurs' data. The service contributes to reduced information reporting for entrepreneurs. It does not, however, achieve the objective that an entrepreneur should, where relevant, only need to provide one piece of information on one occasion to government agencies – as it only covers registers from three agencies, and only contains a limited amount of data.

> **Sweden: The Composite Service of Basic Information on Companies**
> The Swedish Companies Registration Office, the Swedish Tax Agency and Statistics Sweden deliver information via the CSBIC (Composite Service of Basic Information on Companies). The information held by these agencies is often part of the reporting requirements from other agencies. By making it possible to share and reuse the information (company name, address, email, VAT, capital etc.) for pre-filling e-services, reporting to agencies and municipalities is easier and the administrative burden for the entrepreneurs is reduced.

The audit in Norway highlighted that documents available in Altinn cannot be shared directly with the municipalities. This means that when contacting municipalities in the process of establishing a restaurant, entrepreneurs are asked to provide the same information and documentation that they have already submitted earlier in the process. The entrepreneurs must provide personal information and enclose approximately the same documentation to the same municipality when applying for a licence to serve food as when applying to serve alcohol. Entrepreneurs are also required to send company certificates and tax certificates, register of shareholders and other documentation of ownership several times. The documentation must be sent both for the parent company, holding company and

possibly other associated companies. All these documents are already available in Altinn, but must be downloaded by the entrepreneur, and then uploaded as attachments to the applications.

In Iceland, there are initiatives to simplify the application procedure. For example, it is possible for entrepreneurs to only send applications for establishing a restaurant to one regional directorate, which in turn can send the application to the other relevant agencies, both regional and municipal. A similar model was in place in the Faroe Islands prior to 2018, when there was no single point of entry when applying for a licence to serve alcohol: the entrepreneur could approach any authority, national or municipal, and would be guided to the next relevant authority. Until 2018, the Chief of Police was the central authority who would coordinate and transfer the information between the involved authorities before presenting the information to the alcohol licence authority. However, with the change in legislation in December 2018, the entrepreneur must contact every agency to provide the necessary information and the coordinating task of the Chief of Police was stopped.

2.2 Internal digital processes

All government agencies and municipalities included in the national audits have digital case handling systems for the process of starting a business. These systems have resulted in more efficient processes and shortened processing times. However, the level of digitalisation tends to vary within each country, mainly because government agencies tend to have more efficient digital workflows than the studied municipalities.

Potential when integrating e-services with case handling systems

When the case handling system is integrated with an e-service, i.e. the information submitted via the e-service is transferred directly into the case handling systems, there has been a positive impact on processing times: applications tend to be more correct and there is an increase in efficiency as the case officer does not need to manually enter the application into the case handling system. For example, the Finnish Patent and Registration Office has identified that the registration lead time for electronically submitted notifications takes two to three working days, compared to paper notifications which take about one week.

Since applications are often submitted as emails or paper forms in the Faroe Islands and Iceland, there are manual steps for the case officer in the processes as the officer needs to enter applications into the case handling systems. In the Faroe Islands, the National Tax Agency and the Company Registration have developed IT systems that support case handling, but the systems are confined to supporting internal procedures. In Iceland, there are many different entities linked to the process for the operating and restaurant licence application, so documents often need to be printed out by different officials, checked for information and details entered into different systems.

User-friendly e-services can decrease the number of incorrect applications

As seen in the audits in Finland, Norway and Sweden, municipalities experience a common problem with incomplete applications, where the completion of incomplete applications accounts for a large proportion of processing time. Rules and regulations can be complex when starting a restaurant, and it is not always clear to the entrepreneur which information they are being asked to send in. E-services can simplify the process by pre-filling certain data, prevent incorrect information from being entered, and provide clear guidelines on the information that is required. But if e-services are not user-friendly, entrepreneurs tend not to use them and instead submit paper applications.

Finland: Working for customer-oriented digital public services
In 2017–2018 there was a special team at the State Treasury in Finland to support customer-oriented digital change in central government. Its purpose was to provide government agencies with practical assistance for customer-oriented, easy-to-use inter-administrative public digital services. During its operation, the team had nearly 100 assignments. In most of the cases, service design tools were used. One of the conclusions of the team was that a customer-oriented approach is usually considered important but the competency or other prerequisites required for its practical implementation are not necessarily available in public administration.

Automation can increase productivity, but there are few automated processes

Although government agencies' case handling processes are supported by digital case handling systems, an automated case handling process is rare and remains a challenge. However, in Finland and Norway, there are automated case handling processes when a new business is registered.

The Finnish tax agency has an automated process as all new companies are automatically registered into VAT, prepayment and employer registers, unless matters preventing automatic registration emerge in a risk-based assessment. Registration was previously carried out by employees and the average registration lead time was a few weeks.

In Norway, there are no manual procedures for the founding of a limited company in Altinn. All controls in the form are done automatically during completion. When all the founders (and possibly the auditor) have signed, they receive foundation documents and statutes in the Altinn inbox. However, after the founding, the company must be registered in the Coordinated Register notification, where case handling involves several manual steps.

Sweden: Using AI to improve case handling at the Companies Registration Office
The Companies Registration Office is reviewing the most resource-demanding element in the process of registering new companies, which is the approval of company names. Internally, the Companies Registration Office is reviewing whether it is possible to streamline the case handling process of examining company names by using AI (Artificial Intelligence). The Companies Registration Office has also conducted a pilot study for developing a search function for company names on verksamt.se, based on machine learning as well as deep learning.

Digital information sharing between agencies is a challenge

The national audits identified several examples where case handling can be made more efficient by digitally sharing relevant information and registers between agencies. For example, case officers at the Swedish Companies Registration Office have access to relevant registers from other agencies which make information easily accessible.

Quite often, however, information sharing between public agencies is conducted by email or post. For example, in Iceland, there are many different government and local agencies involved in the process of starting a restaurant. The information flow between them is mainly on paper, where sometimes information from one agency needs to be typed into the information systems of a different agency.

As an example, the Norwegian audit highlighted the potential of establishing a central digital database for licences to serve alcohol which includes a list of directors and deputies. Today, case officers in the municipalities are dependent on communicating with other municipalities to obtain knowledge about managers' and deputies' activities outside the municipality. Lack of available digital information about managers and deputies across municipal boundaries leads to less efficient case processing and longer waiting time for entrepreneurs. The Norwegian audit also found that in some cases, correspondence between the municipalities and the government as a part of the application process was unnecessarily time-consuming, because some government agencies do not use digital postal services.

Iceland: Implementing X-roads
X-road is used in Estonia, Finland, Iceland and the Faroe Islands. The 'X-road' infrastructure is a link between the information systems of different entities allowing them to exchange data safely. The central part of X-road is installed in Iceland, but so far only a few institutions have been connected. The intention is to begin by connecting public entities to the mailbox at www.island.is through X-road.

Legacy systems hinder efficient digitalisation

The Icelandic, Finnish, and Swedish audits highlight the challenges of 'legacy' systems, which can be defined as systems that may be based on outdated technology but are critical to day-to-day operations.

In Iceland, there are examples of legacy systems both in government agencies and municipalities. The collapse of the banks in 2008 and the ensuing financial crisis led to considerable austerity measures both within the government agencies and the municipalities. One result of this was postponed renewal of information systems.

In Finland, digitalising case handling applications for alcohol licences has been hampered by the old alcohol trade database. The system dates from the late 1990s and does not support development of e-services. The preferred development approach has been to first update the legacy system and only then to build e-services. Despite the technical limitations, some automated checks have been introduced in the internal work process for handling applications.

In Sweden, the Companies Registration Office and the Tax Agency work continuously on digital development. However, the existence of old systems and platforms means that it is not always possible to make full use of the opportunities presented by digitalisation by integrating case handling systems, reducing manual processing and developing automated elements.

2.3   Digital co-operation

Developing websites for entrepreneurs consisting of information from several agencies, developing joint e-services, and sharing information requires co-operation between agencies. The governments and agencies in the five countries participating in the parallel audit have chosen different forms of organising public sector digitalisation for entrepreneurs. The national audits show that there are challenges related to unclear responsibilities, overlap of information and a lack of co-ordination between digital projects. Furthermore, the development of e-services for entrepreneurs tends to lag behind equivalent development for citizens.

Challenges when developing digital public services in co-operation

How the management of the portals and e-services for entrepreneurs is organised is different in Iceland, Finland, Norway and Sweden. In Iceland, Finland and Norway, www.island.is, suomi.fi (of which suomi.fi/company is a part) and Altinn are websites with information and e-services from several agencies for both citizens and entrepreneurs. They are managed by one government agency.

The Finnish audit showed that the role of the suomi.fi service in relation to individual government agencies is unclear, since the information content for suomi.fi mostly overlaps with the information available on the agencies' own service websites. Regarding the e-service provided at ytj.fi, the audit concluded that the long-standing co-operation between the Finnish Patent and Registration Office and the Finnish Tax Administration in developing the ytj.fi service had not resulted in a seamless process for self-employed entrepreneurs (sole traders).

Furthermore, both the Finnish and the Icelandic audits pointed out that the development of e-services for entrepreneurs' lags behind the equivalent development for citizens, despite ambitious policy objectives. With a legislative change in 2019 in Finland, government agencies are, however, obliged to offer digital services and service channels to citizens and entrepreneurs. Similarly, there are plans to make it mandatory for entrepreneurs to use e-services. In Iceland, the government's objective is that digital services will be the main public relations channel by 2020. The portal island.is is still only used by a few public institutions, and mainly for minor processes such as information exchange between agencies and citizens and simple licences. The audit concluded that for the services to be efficient, more agencies must use island.is as a channel for their information and services. A project group for e-government within the Ministry for Finance and Economic Affairs is working together with Registers Iceland, the agency responsible for island.is, to further enhance the use of the website. However, the plan is to first implement simpler licence processes before working on more complicated processes such as establishing a restaurant.

In Sweden, verksamt.se was founded on the initiative of several government agencies. Today, the Companies Registration Office and the Agency for Economic and Regional Growth lead the co-operation organisation behind verksamt.se. Eleven government agencies are involved in the collaboration and mutually fund the website, and the level of engagement and funding varies according to a set structure. The Swedish audit highlighted the challenges in organising and managing a long-standing collaboration between government agencies. The audit showed that the collaboration had problems adapting verksamt.se to the different agencies' planning processes and ability to allocate resources. This has contributed to inefficiency in developing and running the website.

The Faroe Islands: Digital Faroe Islands
In 2015, the Ministry of Finance launched the National Digitalisation Programme of the Faroe Islands – Digital Faroe Islands – which is founded on four pillars:

- A digital signature and identity,
- Data exchange layer for transfer of data,
- Basic data,
- Digital services.

The project has broad backing in the government and the Ministry of Finance has taken ownership of the project. The digitalisation initiative is formalised in a construction law that runs up to 2023 and is financed through the government's annual budgets. The initiative is organised as a collaboration of government and municipal agencies as well as companies. The Data Exchange Layer is already implemented, and the e-ID and Digital Services will be launched in 2019. Together with Basic Data, the Data Exchange Layer and Digital Services will eventually enable the agencies to turn the entire process of registering a company and applying for an alcohol licence into a single digital process. Data Exchange Layer will provide a secure transfer of information between the agencies and Basic Data will provide information which has already been collected regarding the entrepreneur. One objective is that the 'once only principle' will be achieved when an entrepreneur applies for an alcohol licence for the first time. The municipality of Tórshavn and the Tax Office have already signed up as service providers.

Lack of co-operation and co-ordination on a municipal level leads to a less efficient workflow

The national audits also identified areas where lack of co-operation between public institutions can lead to a less efficient workflow. Especially the Norwegian audit highlighted areas where lack of digital co-operation between municipal departments results in a less efficient workflow. For example, the lack of information flow between the municipal departments poses a risk that the different departments will not receive the necessary information. If the departments do not receive necessary information, they do not have the opportunity to enforce the regulations they manage.

The Finnish audit instead highlighted municipality collaboration initiatives regarding applications. In one region, several municipalities co-operate in handling cases for building permit applications, which is possible since these municipalities use the same IT system. In this case, digitalisation has provided better opportunities for sharing and efficient use of resources. However, the fact that there are several collaboration initiatives and lack of coordination can also lead to overlapping information. For instance, the City of Helsinki has a guide for restaurant entrepreneurs, jointly prepared by NewCo Helsinki (part of the Finnish Enterprise Agencies network) and the municipal unit responsible for food safety supervision. Simultaneously the Building Control Service in the City of Helsinki also has its own guide for restaurant operators, which is more detailed, but with partially the same content as the other publication. As a result, the entrepreneur may not necessarily know which of the guides should ultimately be followed.

Few collaboration initiatives between agencies and municipalities

In the national audits, there were few identified government initiatives aimed at simplifying the process for starting a business regarding licence applications in the municipalities, except for one initiative in Sweden, Serverat. The programme's objective was to simplify application processes for entrepreneurs and make municipal case handling more efficient. One objective of the programme is to develop specifications for e-services that municipalities can use when developing e-services and to standardise the information needed in the application process (today the information requirements vary significantly from one municipality to another). However, few municipalities have opted to be affiliated to Serverat, leading to a lack of results. One reason that municipalities have chosen not to be affiliated to Serverat is that many of them lack the necessary prerequisites for implementing the digital solutions developed within Serverat.

Norway: eMessaging
eMessaging is a system for message exchange for the public sector which is under development. The ICT solution is being developed by the Directorate for Administration and ICT (Difi). eMessaging enables both the governmental authorities and the municipalities to communicate digitally in a simple and secure way. It will eventually be possible for the public sector to use eMessaging to communicate with the citizens, for example with entrepreneurs.

2.4 Conclusions

The joint audit objective for the national audits was to assess whether government measures for simplifying the process of starting a business using digital tools are efficient. The national audits had a broad scope, looking at the digital process of starting a business, with focus on starting a restaurant from three perspectives; the digital services available for entrepreneurs, the public agencies' internal digital workflow as well as co-operation between public agencies to provide digital public services for entrepreneurs.

The national audits found that while there are often established digital public services for entrepreneurs on a national level, the process can still be a challenge for entrepreneurs in obtaining an overall picture of what is required to start a business. Government agencies' case-handling processes are rarely entirely digitalised. While there are several ongoing government collaboration initiatives, there are also a number of challenges related to shared ownership, funding and the development and implementation of joint digital solutions.

Added value for the entrepreneur in varying degrees

The governments in all five Nordic countries that participated in the parallel audit have taken steps to simplify the process of starting a business through public sector digitalisation. Digital information is widely available. Furthermore, a website gathering information and e-services from several agencies and providing an overview of the process of starting a business is available on a national level in most countries. However, the national audits also concluded that there remain challenges in simplifying the process for entrepreneurs:

- Despite the wide availability of digital information as well as e-guides in Finland, Norway and Sweden, it can still be a challenge for entrepreneurs to obtain an overall picture of what is required for starting a business.
- E-services for registering a business are available in Iceland, Finland, Norway, and Sweden. Most, but far from all, entrepreneurs use e-services rather than paper applications when e-services are available.
- The availability of e-services and the quality of digital information can vary significantly in municipalities and regions, which means that entrepreneurs' experiences of application processes also vary considerably. Furthermore, the applications relevant to this audit represent a small case volume for the municipalities, even for larger, urban municipalities. This means that the costs of developing digital solutions can be too high in relation to the benefit.

As the national audits have shown, the degree of digitalisation and the availability of e-services for entrepreneurs vary among the participating countries. The national audits have also identified room for improvement in all countries, albeit in different areas. The areas for development vary from introducing e-services for registering a business to introducing more sophisticated solutions, such as more user-friendly e-services, interactive services or solutions to pre-fill forms with personal information.

The main conclusions in the national audits are summarised below:

- The Faroese audit concluded that although the municipal or governmental agencies do not provide e-services for starting a business, they have well-functioning case handling with limited processing time, adequate information and well-functioning communication with the entrepreneur, e.g. for additional information and what the entrepreneur needs to do for the next step in case handling. Given the relatively small size of the Faroe Islands, the government agencies are very accessible, and the entrepreneur will have no problem contacting the case handler to ask how the case is progressing.
- The Finnish audit concluded that a customer-oriented perspective is only partially realised in the services involved in the process of starting a business. The information available online is contained in several different sources and it is not always easy to obtain an overall picture of what is required for starting a business. The suomi.fi/company portal is intended to be the single contact point, but it does not yet function effectively. The shared ownership of the portal could also be clarified. More concrete action is still required at practical level to ensure the customer perspective.
- The Icelandic audit concluded that there is a clear lack of detailed step-by-step guidance and more transparency in the process, so that entrepreneurs can better prepare themselves for the procedure and subsequently track the status of their application. There should also be more emphasis on creating guidance that is available in other languages than Icelandic. The implementation of digital solutions within the process of starting a restaurant is limited so far. Possible improvements include developing step-by-step guidance and ensuring transparency in the application processes.
- The Norwegian audit concluded that entrepreneurs who plan to start a restaurant as a limited company lack digital information about what to do, in what order tasks must be done and what kind of documentation will be required. The e-services do not clearly state that creating a limited liability company requires both foundation and registration. More could be done to ensure that the Ministry of Local Government and Modernisation follow up that public agencies develop digital transversal solutions to reuse already reported information, so that entrepreneurs only need to report the same information to the agencies once.
- The Swedish audit concluded that while verksamt.se has made it easier to start a restaurant by providing an overview of the process and relevant applications on a national level, there is still room for improvement, by, for example, developing more user-friendly e-services for entrepreneurs. The government initiative to provide support to municipalities to develop a more digital and uniform process has had limited impact, since few municipalities have chosen to participate.

Case-handling processes are rarely entirely digitalised

An important part of public sector digitalisation is ensuring that the agencies efficiently can execute their services by well-functioning internal processes and systems, that support the case handling. While all government agencies and municipalities that were included in the national audits have digital case handling systems within the process of starting a business, there are frequent examples where manual steps are necessary and where the workflow is less efficient. While digital case handling systems have increased efficiency, there is still potential in introducing (additional) e-services, automated processes and by developing solutions that allows for information sharing between public agencies. Legacy systems have been identified as a challenge in several of the participating countries.

The main conclusions in the national audits are summarised below:

- The Faroese audit concluded that the processes and systems within the agencies seemed to be effective, measured with respect to the time it took to serve the entrepreneur. The Government Tax Office and the Company Registration Office have developed IT systems that support case handling, but the systems are confined to supporting internal procedures.
- The Finnish audit concluded that some of the relevant processes audited were digitalised to a large extent. The case handling process is often digitalised, and the focus of development is on automating various steps in the process. In some areas, however, information is recorded manually and some of the information is still on paper.
- The Icelandic audit concluded that it is of general importance to further enhance the implementation of e-governance[13] both in national agencies and municipalities to increase efficiency and effectiveness in their processes. The administrative processes within the national agencies and municipalities are not always compatible. Each agency has its own digital systems and there is no special initiative for designing a mutual system for the licence procedure.
- The Norwegian audit concluded that the Ministry of Local Government and Modernisation should monitor that the public agencies utilise the potential for further digitalising case processing. The audit recommended a government commitment to a national licence database with functionality that can streamline case processing and shorten the waiting time for entrepreneurs. Another recommendation was to motivate municipalities to utilise the digital solutions by providing guidance to the entrepreneurs to ensure complete applications and shorter processing times.
- The Swedish audit concluded that public administration digitalisation is well established; e-services and case handling systems are common and have been operating for decades. Nevertheless, although the Company Registration Office's and the Tax Agency's case handling processes for registering new

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[13] UNESCO define e-governance as: "The public sector's use of information and communication technologies with the aim of improving information and service delivery, encouraging citizen participation in the decision-making process and making government more accountable, transparent and effective".

businesses are digitalised, there are recurring manual elements due to a lack of integration between different case handling systems.

Co-operation is often cumbersome, but necessary

Several of the initiatives and projects for simplifying the process of starting a business are the result of co-operation and collaboration between government agencies and/or municipalities. When reviewing the initiatives, the national audits have identified several challenges related to shared ownership, funding and the development and implementation of joint digital solutions. Furthermore, the national audits have also identified areas where collaboration and joint initiatives are lacking. A recurring theme in the national audits is the lack of flow of information between governmental agencies, as well as between governmental agencies and municipalities.

The main conclusions in the national audits are summarised below:

- In Finland, in legislation introduced in 2019, government agencies are obliged to provide digital services. There are also plans to require entrepreneurs to use digital service channels. When implementing these plans, it should be ensured that the services provided to entrepreneurs are sufficiently advanced so that the necessary prerequisites for the requirement exist. The Finnish audit concluded that making digital services mandatory requires better collaboration. The audit also concluded that in the activities reviewed, government agencies are carrying out development collaboration with appropriate partners, but that this is not without problems. The audit identified several challenges to collaboration, for example lack of funding and weak coordination of projects.
- The Icelandic audit concluded that more collaboration and better flow of information are needed in the process of starting a business.
- The Norwegian audit recommended that information and guidance measures should be adapted to the complexity of the regulations in the Planning and Building Act, and that digital solutions are to a greater extent exploited to ensure predictability and compliance. Furthermore, the regulations in the Planning and Building Act should ensure to a greater extent development of good self-service solutions for entrepreneurs and good digital tools for case officers.
- The Swedish audit concluded that the collaboration initiatives for simplifying the administrative process for entrepreneurs have not been fully effective, which has led to a lack of efficiency in the implementation. This is partly due to external factors which affects the possibility of conducting successful digitalisation projects, such as lack of clear ownership of projects that are jointly owned by multiple government agencies, which in turn affects the agencies' ability to prioritise collaboration ahead of existing tasks for the agencies.

Part 2: Key findings from the national reports

In chapter 3–7, the key findings, conclusions and recommendations from
the national audits are presented.

3   The Faroe Islands

Table 2 Overview of process and agencies

Process	Necessary steps and actions	Responsible agency
Starting a business	Registering a limited company under the Companies Act to establish a legal entity.	Company Registration Office
	Applying for a VAT and TAX code to be able to pay wages and VAT settlement	Government Tax Office
Establishing a restaurant	Applying for Kitchen and Catering permission.	Food and Veterinary Agency
	Applying for permission to open a restaurant.	Chief of Police Office
	The entrepreneur must comply with regulations regarding sewage, fat separators and fire safety measures on local level. When in compliance the entrepreneur will receive a recommendation to allow the use of premises to a restaurant.	Municipalities
	Applying for alcohol licence; the permission to serve alcohol	Alcohol Licence Committee

3.1   Starting a business using digital public services

The outlined case in this audit is the procedure to establish restaurant as a limited company and to what extent the process is supported by digital services. Overall, the process is complicated, and entrepreneurs need to get in touch with several different agencies, both national and local. Entrepreneurs wishing to start up a restaurant business on the Faroe Islands have to contact six different governmental and municipal agencies.

The Company Registration establishes a legal entity in which the operation of the restaurant will be placed and where the activity formally will be reported to the agencies. In order to register a limited company, the agency requires a filled in form, that may be sent by mail, email or handed in. The Company Registration Office has registration forms on their website as well as extensive guides and information for the entrepreneur when registering a limited company.

When the limited company is registered, the entrepreneur must register the company with the Tax Office. Registration is necessary for the business to process salaries and to settle quarterly VAT. Registration forms are on the website which offers information both regarding establishing a limited company as well as information on taxation and VAT. Application forms on the website are in PDF and must be emailed to the Tax Office. The information is accessible and thorough, and

the website has a powerful search engine that represents the search results in themes for easier use.

The Chief of Police Office has had a coordinating role for the entrepreneur applying for a restaurant licence as well as alcohol licence. Application forms are found on their website as well as an email address. The application form is a Word document that the entrepreneur fills in, prints, signs and sends to the Chief of Police Office. On the same page, the links to the municipality, fire department and the alcohol licence committee are helpful for the entrepreneur. There is no checklist or overview of the process although the links will help the entrepreneur to reach the other agencies.

In order to open a kitchen and to cater for customers, the entrepreneur will need authorisation from the Food and Veterinary Agency. The Agency has an extensive description of the process for applications for a Kitchen and Catering permit as well as an overview of necessary documentation and statutory references on their website. The application form is a PDF document to be printed and sent by email.

The premises for the restaurant must be deemed suitable for the activity by the technical department of the city council. Any changes to the layout of rooms or other adaptations must be applied for by the entrepreneur. In the process of getting alcohol licence, sewage and dimensions of the fat separator must comply with municipality regulation as well as the fire standards must be observed. The entrepreneur will receive a certificate to prove compliance with the regulation. The website for the Municipality of Tórshavn has a visual overview of the process and apart from links to all other relevant agencies for the entrepreneur to contact there are links to relevant information in the areas that the municipality is responsible for e.g. fat separators and noise limits.

On the alcohol licence website there is no information for the entrepreneur besides official information about the committee itself. It is stated on the website that anyone interested in an alcohol and restaurant licence has to write to them by email.

Overall the agencies involved have websites with a varying degree of information that will accommodate the entrepreneur.

The ease with which the entrepreneur can start the process depends therefore upon with which agency the initial contact is established. The websites are not mirrored in other languages but there is some information in English. Structured and relevant information is overall absent in any foreign language. Some of the websites facilitate for those with impaired hearing but no general focus seems to be on disabled persons.

When applying for an alcohol licence, there is no single point of entry; entrepreneurs can approach any agency in any order, national or municipal and will be guided by the contacted agency from one agency to the next relevant agency. During our audit up until December 2018, the Chief of Police was the central agency who would coordinate and transfer much of the information between the concerned authorities before presenting the information to the alcohol licence authority. However, with the change in legislation in December 2018, entrepreneurs have to contact every agency

to provide the necessary information and the coordinating task of the Chief of Police has been discontinued.

As of now, is not possible to submit an application or registration form digitally other than scan to mail. Entrepreneurs have access to application and registration forms on the websites but need to return the filled in form either by hand, post or email; there are electronic forms on some web pages, but the data is transferred as mail to a mailbox.

Conclusion

Although the agencies do not provide e-services for the applying entrepreneurs, they have very well-functioning case handling with limited processing time, adequate information and well-functioning communication with entrepreneurs e.g. for additional information and what the entrepreneur needs to do for the next step in the case handling. It is however not possible for the entrepreneur to monitor the status of the process other than to email or telephone the relevant agency and ask.

Generally, the view of the entrepreneurs is on a positive note when it comes to evaluating the process. None of the applicants in 2018 have withdrawn their application and there are developments in all current applications.

Even though the case workers at the agencies have a strong focus on delivering a swift service to the entrepreneurs, the process is manual, scattered over several agencies and is all but a simple task.

3.2 Internal digital processes

The agencies have internal IT systems that support case handling. The information on the form to the Company Registration is typed into a database system and the documents registered into a document handling system. The entrepreneur will receive a transcript of the registered information.

The Chief of Police has had a coordinating role gathering information from the municipality and the Food and Veterinary Agency before presenting the information together with a recommendation from the police department itself to the alcohol licence committee. The gathered information is registered and stored in a document management system and can contain information in several different formats such as PDF and Word documents, drawings, blueprints, print outs of tax history, budgets in Excel and pictures. The size and format of the documentation may require it to be sent in paper form between the agencies; sometimes it can be sent by email.

In order to be able to pay wages through the taxation system and to be a registered as MVG company (MVG is short for meirvirðisgjald, which is a value-added tax) the entrepreneur must use a V-code. The Government Tax Office handles the register of companies allowed to operate and issues V-codes. The tax office will make enquiries into the person's tax history to ensure that the entrepreneur does not have unpaid tax or MVG debt. A recommendation will be sent to the Chief of Police.

The Food and Veterinary Agency provides the entrepreneur with a permit to open a kitchen and to cater for clients. The manually collected information is registered

into a document management system and processed. Case processing is mainly manual and includes inspection on site as well as a review of cleaning schedules, menus and kitchen area layout. An authorisation certificate will be issued to the entrepreneur and a scanned copy will be sent to the office of the Chief of Police.

The municipality needs to be consulted for local environmental and fire safety matters before any restaurant permit is issued. In most cases the applications are forwarded from the Chief of Police. Plans for sewage and size of fat separators are required for the case handling as well as an inspection on the premises constitute the bases for an environment authorisation which will be scanned and sent to the Chief of Police. The fire safety department of the municipality requires plans for exits, placement of fire extinguishers, layout of tables and number of customers. A fire safety recommendation will be sent to the Chief of Police. The municipality stores the received information in a document management system and sends documents to the entrepreneur and the Chief of Police via email.

When the Chief of Police has received recommendations from the respective agencies, the information is processed, and a restaurant permit is given to the entrepreneur. The collected material is then ultimately sent to the alcohol licence committee.

The alcohol licence committee then reviews the information and makes evaluations on the operation of the restaurant based on budgets. The committee can ask for criminal records. If the committee is satisfied with the information an alcohol licence will be issued. The information is stored in a document handling system and the licence is sent to the entrepreneur by post or email.

Conclusion

Within the agencies, the processes and systems seem to be effective measured on the time it takes to serve the entrepreneur. The National Tax Agency and the Company Registration have developed IT systems that support the case handling, but the systems are confined to supporting internal procedures. Given the size of the Faroe Islands, the government agencies are very accessible, and the entrepreneur will have no obstacle to contacting the case officer to ask how the case is progressing.

Generally, our impression regarding all the agencies is that they have an idea of what to digitalise but mainly due to budgetary constraints and partly to lack of government initiative none of the agencies nor the capital municipality have written plans for digitalisation. The scope of the idea to digitalise lies within the jurisdiction of each agency and is focused on the task at hand. Considering that the opening of a restaurant in the Faroe Islands is somewhat of a rare event for the agencies, the focus is naturally on other areas of service to digitalise.

3.3   Digital co-operation

The SAI chose not to include the audit question regarding public-sector co-operation, since the findings would not give an accurate assessment of the current situation. While it would be a correct statement that the public sector co-operation in order to facilitate for entrepreneurs is very limited, it also holds true that the same agencies

are in a waiting position regarding digitalisation. In this section we will thus provide some background to the ongoing work to digitalise the public sector in the Faroe Islands.

In 2015 the Ministry of Finance launched The National Digitalisation Programme of the Faroe Islands – Digital Faroe Islands - which was founded on four pillars:

- A digital signature and identity,
- Data exchange layer for transfer of data,
- Basic data,
- Digital services.

This constitutes the government's digitalisation policy.

The Digital Faroe Islands originated in a policy document in 2007 called "Vision 2015". The document listed the four pillars of digitalisation that later became Digital Faroe Islands. The project has a broad backing in the government and the Minister of Finance has taken ownership of the project. It is financed through the Government's annual budgets. The initiative is organised as a co-operation of government and municipal agencies as well as corporations. It is formalised in a construction law that runs up to 2023 and the statutory regulation for the digital initiative is mostly in place.

The status for the initiative is that The Data Exchange Layer is implemented and running, and the e-ID and Digital Services will be launched in 2019.

Together with Basic Data the Data Exchange Layer and Digital Services will in time make the agencies able to make the entire process of registering a company and applying for a alcohol licence into one digital process. Data Exchange Layer will provide a secure transfer of information between the agencies and the Basic Data will provide information regarding the entrepreneur already collected. The Once Only-principle will be observed when an entrepreneur applies for a licence to serve alcohol the first time. The municipality of Tórshavn and the Tax Office have already signed up as service providers. It is now possible for potential homeowners to apply to the municipality of Tórshavn for a building permit by e-service.

Some agencies see the possibilities in the digital initiative. The alcohol licence committee, which currently has a very limited e-service for those who wish to apply is preparing for entrepreneurs to apply for a licence to serve alcohol on a web-based service. As the coordinating agency, it wishes for the entrepreneur to be able to apply using the Digital Signature and to be able to digitally receive plans, recommendations and other information from other agencies.

The Company Registration Office and the Tax Office have made a requirement analysis for an e-service so the entrepreneur will be able to register a company in the company register as well as the tax registry in a single process.

It is our impression that generally the agencies begin to see opportunities in digital services and have an idea of what services would be of value to the entrepreneur, but the plans are not tangible yet.

4   Finland

Table 3 Overview of process and agencies

Process	Necessary steps and actions	Responsible agency
Starting a business	Getting centralised information for starting a business from the portal suomi.fi/company	Population Register Centre Ministry of Economic Affairs and Employment Ministry of Finance
	Registering a new company before it starts operating by using ytj.fi online service or paper forms	Finnish Patent and Registration Office Finnish Tax Administration
Establishing a restaurant	Applying for a building permit required for restaurants	Municipal building supervision
	Submitting a notification to the authorities as required under the Food Act	Municipal environmental health care / food safety
	Applying for a licence to serve alcohol	Municipal environmental health care / food safety

4.1   Starting a business using digital public services

The national level: Overview of the process and e-services for the entrepreneur

Basic information for entrepreneurs has been centralised under a single online portal whose role is partly unclear

Information on starting of a business and entrepreneurship is available in the suomi.fi/company online service maintained by the Population Register Centre (PRC). The portal also serves as the single contact point for companies, as required under the EU service directive. The portal comprises operating paths, information content for different phases of entrepreneurship and service information on licences, permits, notifications and professional qualifications.

The online service is supported by Enterprise Finland Telephone Service, which has received about 30,000 phone calls yearly. The callers may also be redirected to different government agencies in case of more in-depth questions. The link between the online service and the supporting telephone service is important because about 80 per cent of the calls are related to digital services or involve matters in which the callers are advised to use digital services.

The suomi.fi/company portal is part of the larger suomi.fi service palette that is intended for supporting digital development in the public sector. It is built on a background service data resource, where individual public sector authorities are required to describe their services. However, the service providers do not always describe all their services thinking that the information is already available on the

agency's or municipality's own website. This causes a problem because it leads to a situation where suomi.fi users may not find the services they are seeking. PRC has also received feedback on suomi.fi search functions, which customers have found difficult to use.

According to the audit findings, the business start-up wizard provided in the service is clearly structured, but the checklist produced by the service path is unsatisfactory. For example, it does not provide a comprehensive list of the licences and permits required for establishing a restaurant. In addition, when one tries to find information on specific licences, permits and notifications using the search function, the end result is confusing. Because of these deficiencies, the usefulness of the service path remains questionable. The role of the suomi.fi service in relation to the online services of individual government agencies also seems unclear. The main question is whether separate information content for suomi.fi is needed if most of it overlaps with the information available on the agencies' own service websites. Separate editorial working groups, operating under the auspices of PRC, have been established to produce content for the citizen and organisational sections of the suomi.fi website. However, in the participants' view, the working group for the organisational section has not been particularly effective.

Registration of new companies is carried out in a service jointly owned and developed by the Finnish Patent and Registration Office and the Finnish Tax Administration (ytj.fi service). The role of that service is described in the next main chapter (internal processes). Basic information for new entrepreneurs can be found on the websites of both organisations.

The local level: starting a restaurant

In Finland the most typical licences or permits that are needed for starting a restaurant are a building permit, a notification for the food safety and a licence for serving alcohol. The related processes are described in the next main chapter (internal processes).

Other key findings

The use of service design has been encouraged

In 2017–2018 there was a special team at State Treasury in order to support customer-oriented digital change in central government. The purpose of the team was to provide government agencies with practical assistance for customer-oriented, easy-to-use inter-administrative public digital services. During its operation the team had nearly 100 assignments. In most of the cases, service design tools were used. One of the conclusions of the team was that a customer-oriented approach is usually considered important, but the competence or other prerequisites required for incorporating it into practical development are not necessarily available in public administration.

Reasonable consideration has been given to different customer groups

Most of the services reviewed in the audit are provided in at least Finnish and Swedish. Material is also available in English, but it is often limited to instructions

and few of the services themselves or forms are available in that language. An exception is the Finnish Tax Administration, which has a large amount of information available in English. The ytj.fi service used for registering a business also provides information in English, but its e-services are only available in Finnish and Swedish. The paper forms are, however, also available in English. The Enterprise Finland Telephone Service is available in Finnish and Swedish, and service requests are also handled in English. A limited amount of support material is also available in other languages. For example, in its advisory project for SMEs, the Finnish Food Authority has produced instructions and support material for establishing a restaurant in Turkish and Chinese.

The service processes are fairly transparent from the customer's perspective

The audit framework included a question of how transparent and predictable the processes are from the customer's perspective. In practice, it is mainly a question of process lead times and of whether the customers know how their case is progressing. As a rule, the processes that were examined did not involve public service pledges concerning lead times. Instead, the predicted lead time or a typical processing time is given for many processes. Actual lead times have been published for building permit applications. The agencies also had determined their own targets for processing times.

4.2   Internal digital processes

Administrative processes in government agencies

The basic registration of companies is mostly by electronic means

The ytj.fi service used for the registration of companies was originally introduced in 2001. About 90 per cent of all sole traders (self-employed) submit their notifications in electronic form, compared to about 60 per cent for limited liability companies. In the Patent and Registration office the registration lead time for electronically submitted notifications is two to three working days, in paper notifications about one week. A fully automatic registration would require legislative amendments and so far, no measures have been taken to introduce such changes. Suomi.fi functionalities are partially used in the service; the payment service is already in use, while the messages service has not yet been made available.

The Finnish Tax Administration has automated processes

The Finnish Tax Administration receives the registration notifications from the ytj.fi service. The electronic notifications are directly entered into the taxation system while the notifications in paper form are converted into structural form before any further process steps.

In addition to carrying out a comprehensive IT system reform, the Finnish Tax Administration has focused on process automation. From the end of 2018, all new companies have been automatically registered into VAT, prepayment and employer registers, unless matters preventing automatic registration emerge in a risk-based assessment. Before that, the registration was carried out by employees and the average registration lead time was a few weeks.

In 2016–2017, the Finnish Tax Administration introduced an operating model for guiding and supervising new enterprises. The aim has been to ensure that customers are able to act correctly in taxation matters right from the start. Correct action means that the customers make the required notifications and payments at the right time and use e-service channels. The preliminary follow-up information suggests that the customers contacted in accordance with the new operating model know better how to act in taxation matters.

In connection with the audit, identification was highlighted by the Finnish Tax Administration as a general e-service issue. Traditionally, personal identification has worked well but the identification solutions used by companies have been more problematic. Another identification-related challenge arises when an information system needs to operate in other information systems. According to the agency, fully workable solutions to such interface issues have not yet been found.

Administrative processes at the local level

Building supervision permit processes are lengthy but transparent

Nearly all applications arriving in the City of Helsinki Building Control Services are received through e-service. At general level, the process works electronically but it has not yet been fully digitalised. While letters and paper documents are a thing of the past, the process is more or less the same as before the introduction of digital systems. A practical challenge is that the process cannot be managed in a single system from start to finish, as it involves several systems with less than perfect interoperability.

In the City of Espoo, building permit applications can only be submitted electronically. The current system supports the internal process, but the service is not without problems. One key challenge is that the service was originally designed for professional planners, which means that submitting a building permit application may be difficult for non-professionals.

The average processing time for most building permit applications is at least one month. E-services have helped to make the process more transparent as the customers are able to follow the progress of their applications in real time.

Incomplete applications are a problem in municipalities. The time spent on waiting for supplementary information often accounts for a large proportion of the overall processing time. In the traditional process, the documents were usually checked as they were submitted, and the most obvious inadequacies were already noted at this stage. Another common challenge is the definition and the use of digital signature, which involves varying interpretations.

More e-services are being introduced in food safety

A person establishing a restaurant must submit a notification of starting the business four weeks before the planned opening. The supervision is the responsibility of food safety units, whose areas of responsibility usually cover more than one municipality.

At the time of the audit, Helsinki was the only municipality where it has been possible to submit the required notification through an e-service. In other municipalities, the notifications have been submitted on paper forms. Over the past few years, nearly half of all notifications received by the City of Helsinki have been received through the e-service. However, the electronic notifications have been printed out and the information has been manually entered into the operational system used in the process. Thus, from the agency's perspective, it has not made a big difference whether the notification has been received electronically or not.

A nationwide food safety supervision system will become available to all municipalities during 2019 and it will replace the existing systems.

Alcohol serving licences are submitted on a paper form

The applications for licences for serving alcohol are submitted to Regional State Administrative Agencies (AVIs) of which there are six in Finland. The application forms are available online and they must be sent as email attachments or by letter. In the agencies, the applications are scanned and transferred to a joint electronic mailbox for further actions. In Southern Finland, the processing time has been about three weeks.

The digitalisation of the process has been hampered by the old alcohol trade register. The system dates back to the late 1990s and it does not support the development of e-services. The preferred development approach has been to first update the legacy system and to build the e-services after that. Despite the technical limitations, some automated checks have been introduced to the internal work process for handling the applications.

4.3   Digital co-operation

Digital co-operation on a national level

Steering by means of legislation

Digitalisation has been incorporated into the strategies and targets of Finnish government agencies but, except for the Government Programme 2015-2019, there are no official policy documents describing joint digitalisation targets for all government agencies. However, the aim of the government is to specify the use of digitalisation in the legislation introduced in 2019. Government agencies will be obliged to offer digital services and service channels. Similarly, there are plans to require companies to use e-services.

There is a slight discrepancy between the Government's policy decision requiring companies to use digital services and the manner in which services intended for companies have been prioritised in the development of the shared suomi.fi services providing prerequisites for digitalisation. Despite the policy decision (to make digital services mandatory for companies), the development of services intended for companies has been given a lower priority than citizens' services.

The digitalisation objectives laid out in the Government Programme were implemented in a number of different projects. There are also several other projects and measures underway in the field of digitalisation. The coordination between the projects is, however, fairly weak, which creates a risk that overlapping work is carried out in different projects and not enough progress is achieved at overall level.

Investment model is not designed for joint development

The funding model used in information system investments was discussed in the performance audit carried out by the NAOF in 2017. In that audit it was found out that the model does not meet the agility needs required in the development. Furthermore, the investment model has not been planned for joint projects between government agencies, which may involve specific funding-related issues. Deciding who has overall responsibility for the development work and who will benefit from the investments are two such issues.

Development of the legacy system for processing alcohol matters was noticed in the audit as an example of the funding-related problems. From the perspective of the government agencies, it has been difficult to secure funding for developing the system. In operations with a small amount of person-years, it is difficult to get the productivity benefits required under the current funding model. However, in this case it can also be asked whether a separate system is needed for each licence type and could the processes in question be managed using other systems already in existence or under development.

Some examples of co-operation from the agencies involved

Digitalisation enables better co-operation but there is still room for improvement

An example of long-standing co-operation is the ytj.fi service that has been jointly developed by the Finnish Patent and Registration Office and the Finnish Tax Administration. Even though in this case co-operation and joint processes have long traditions, the end result is not perfectly seamless for customers. For example, if sole traders register their business in the ytj.fi online service, the notification will first only go to the Trade Register maintained by the Finnish Patent and Registration Office. If the sole trader would also like to enter the information into the registers of the Finnish Tax Administration, a separate change notification is required. Entrepreneurs do not, however, always remember to submit such change notifications, and feedback on this is frequently received.

A positive finding regarding the use of a shared system in municipal building supervision was made in the audit. For example, in the Uusimaa region in southern Finland, several municipalities co-operate in the processing of permit applications. This is easy because the municipalities use the same system. Thus, digitalisation has provided better opportunities for the sharing and efficient use of resources.

Co-operation may occasionally be affected by the overlapping nature of the information intended for the customers. Such overlaps were noted in the instructions supporting the start of restaurant activities. For example, the City of Helsinki has a guide for restaurant entrepreneurs, which has been jointly prepared by NewCo Helsinki (part of the Finnish Enterprise Agencies network) and the

municipal unit responsible for food safety supervision. Simultaneously the Building Control Service also has its own guide for restaurant operators, which is more detailed but has partially the same content as the other publication. As a result, the entrepreneur may not necessarily know which of the guides should ultimately be followed.

It was noted in the audit that the restaurants inspected by the alcohol and food safety supervision are largely the same but there is relatively little co-operation between the agencies. A restaurant operator may be confused if the municipal health inspector and the AVI inspector supervising the serving of alcohol visit the same location in short succession unaware of each other's inspection visits. Digitalisation and a better flow of information could enable closer co-operation in this respect.

Other key findings

According to the responses to a survey carried out during the audit, the shared suomi.fi services are considered as relatively important even though they have not eased or speeded up digital development in the agencies to a significant degree. The agencies indicated that they have not been able to influence significantly the development of the shared services, which means there is a need for better co-operation and collaboration.

Legislation is often considered a factor hampering the flow of information and making the introduction of digital procedures more difficult. However, in this audit legislation did not emerge as a major problem. Instead, it was concluded that the flow of information and co-operation are more severely hampered by the absence of interoperable information systems and, partially, silo-based customer perspectives, which do not lead to processes that are smooth from the customer's point of view.

4.4   National conclusions and recommendations

Customer-orientation is only partially realised in the services involving the starting of business activities

Support and advice for the start of business activities is available online and as personal service (such as face-to-face meetings and telephone helpdesk as a support service for suomi.fi/company). However, the information available online is found on several different websites and it is not always easy to get an overall picture of what is required for starting a business. The suomi.fi/company portal is intended to be the single contact point but, based on the findings of the audit, it does not yet function effectively. The shared ownership of the portal could also be clarified.

The service processes reviewed in the audit were reasonably transparent from the customer's point of view. In service development, customers may be involved in the development processes by means of service design, while occasional feedback surveys may also be the only way of analysing customer experience. As a whole, the customer perspective is recognised as an important starting point, but more concrete action is still required at practical level.

Level of digitalisation varies between government agencies

In some processes a great deal of progress has been achieved in digitalisation. The material to be processed is fully electronic and the focus in the development is on the automation of work stages. At the same time, however, in some areas information is recorded manually and some of the information is still in paper form. The absence of interoperable information systems occasionally makes efficient operations difficult.

All government agencies have plans to develop their processes through digitalisation. The target levels and the implementation of the plans depend on the current states and on the resources available for the purpose.

Making digital services mandatory requires better co-operation

Under the legislation introduced in 2019, government agencies are obliged to provide digital services. There are also plans to oblige business operators to use digital service channels. In the implementation of these plans, it should be ensured that the services provided to companies are sufficiently advanced so that the necessary prerequisites for the obligation exist.

In the activities reviewed in the audit, government agencies are carrying out development co-operation with appropriate partners. The general view is, however, that this is not without problems and that joint projects may involve funding-related challenges. Ensuring sufficient investment funding for key projects is one way to enhance the prerequisites for development.

Joint prerequisites for digitalisation should be developed on the basis of the agencies' needs

According to the survey carried out as part of the audit, government agencies are of the view that they are fairly well placed to develop digitalisation. The shared support services for digitalisation (suomi.fi services) are considered important but the use of the services may have been limited by a common view that the agencies have not been able to play a key role in their development. The agencies should be a key customer or stakeholder group in order to ensure that the shared solutions provide answers to their needs and problems.

A large number of projects and measures for promoting digitalisation are underway in central government but the coordination between them is fairly weak. Support for development as well as steering and funding models could be more closely linked with each other in order to ensure that the work will produce the desired results and there are no unnecessary overlaps.

Recommendations of the National Audit Office

The Ministry of Finance and the Population Register Centre should create and maintain operating models helping to develop public administration digital services so that the emphasis is on customer perspective.

The Ministry of Finance and other ministries should strengthen the prerequisites for inter-administrative joint development and encourage government agencies to work together to enhance the smoothness of services from the customer's perspective.

The Ministry of Finance and other ministries should jointly create operating models that will ensure that digitalisation in public administration is steered, supported and funded in a coordinated manner.

The Ministry of Economic Affairs and Employment and the Population Register Centre should ensure that the functionality of the single contact point provided to companies (suomi.fi/company) meets the needs of new entrepreneurs.

The Population Register Centre should consider the needs and problems of other government agencies as a key starting point when developing shared support services for digitalisation.

5 Iceland

Table 4 Overview of process and agencies

Process	Necessary steps and actions	Responsible agency
Starting a business	Anyone starting a business in Iceland must have an **identification (ID) number**. The ID number serves as a gateway to Icelandic society and is issued automatically to all Icelanders. Foreign citizens can apply for an ID number.	Registers Iceland www.skra.is
	The establishment of a private company can be done digitally using a digital certificate related to the ID number of the applicant. Electronic forms are available that can be filled out and sent to the Directorate by email when registering a new company.	Directorate of Internal Revenue www.rsk.is
	Register a trademark (Optional)	The Icelandic Intellectual Property Office www.hugverk.is
Establishing a restaurant	If a new restaurant is being set up – a **building permit** is necessary before the renovation or building starts.	Municipality – building and planning division www.samband.is
	All restaurants need to have an **operating licence** issued by the local district commissioner. This licence is dependent upon a licence from **local health authorities**. These two authorities work together and if an application is sent to one authority the other one is also notified.	District Commissioner www.syslumenn.is District Commissioners exercise the executive power and administration of the state, each in its own district.
	A licence from local health authorities is also necessary for all restaurants. As described above it is dependent upon an operating licence from the district commissioner. The process for applying for these licences can be done simultaneously and the authorities share information with each other in the process.	Local Health Authorities www.shi.is
	Reviews and comments are needed in the licence procedure described above from different authorities.	Municipality (planning and building divisions), Police, Fire department, Occupational Health and Safety Authority

5.1 Starting a business using digital public services

The national and the local level: Overview of the process and e-services for the entrepreneur

An overview on how to start a business in Iceland can be found on the information and national portal web www.island.is. The overview can both be found in Icelandic and English, although the information provided in Icelandic is much more detailed. There are also some links available to different governmental and local authorities that are relevant in the process. However, there is neither a step-by-step guidance available on www.island.is nor simple checklists that could benefit the entrepreneur in the process of starting a business.

The only available e-service in the process for starting a business is the establishment of a private limited liability company which can be done at the website of the Directorate of Internal Revenue www.rsk.is. The process is only in Icelandic and available to those who have a digital certificate which is issued by a company owned by all official banks in Iceland. This e-service is simple and straightforward and has the effect of simplifying the process to some extent especially the process of providing the Directorate of Internal Revenue with necessary information about the newly founded business. If the process is done digitally it takes about 2 days to get confirmation from the revenue office but the manual one takes about 7–10 days to process.

When starting a restaurant, the next step is to apply for an operating licence from the District Commissioner and at the same time a restaurant licence from the local municipal health authority. These two licences are dependent upon each other and one licence is not issued without the other. On the website of the District Commissioners in Iceland information can be found on how to apply for the two licences described above. There is also information on the conditions the entrepreneur must meet and what documents are necessary. In addition, the website contains links to pdf forms that can be filled in and sent to the relevant commissioner by email. The forms and the instructions available are only in Icelandic.

These licences are also subject to reviews from the municipality where the restaurant will be situated, building and planning offices of that municipality, the fire department, police, and the Administration of Occupational Safety and Health. These authorities have about 45 days to give their opinion on the licence request. Some of them must also visit the site before they can give their comments. Negative comments from any of these authorities will result in a refusal of licence.

It should be noted that if a new restaurant is to be opened in premises that were previously used for other purposes, a building permit for the renovations are needed from the local municipality building officer and the Iceland Construction Authority.

For the licence from the local health authorities each entrepreneur must contact the authority responsible in their area. On www.shi.is a link to each local authority can be found, but it varies between authorities how much information on the licences

are available. Some of them have no information or guidance while the bigger ones have information and pdf formats for licence applications. Most of the information is only available in Icelandic.

Three different restaurant owners were interviewed in the audit. They all agreed that the process was not very simple, especially for those who were opening a restaurant for the first time. In their opinion, more guidance is needed, and the process would benefit if a single point of information were established with the responsible public agencies where entrepreneurs can seek guidance, information and follow up on the status of the licence process. There are some electronic pdf formats available which can be filled out and send electronically by email to the licensee. However, it was noted that the email communications between the restaurant owners and the licensee were not always reliable and there were some examples where the authority had not responded to emails sent to them. It was also noted that the process of renewing the licences was a much simpler process than starting a new restaurant.

Overall, apart from the step of starting a business, the process of establishing a restaurant is not digitalised, and cannot be described as simple and user-friendly. There are many different governmental and local authorities involved in the process and information flow between them is only on paper where sometimes information from one authority needs to be typed into the information systems in a different authority. There is also a clear lack of a detailed guidance or step-by-step directions that could benefit the entrepreneur.

Other key findings

Availability measures

Almost all guidance and documentation concerning the life event of establishing a restaurant in Iceland is only available in Icelandic. Only general guidance on how to start a business is available in English on www.island.is.

This has proved to be a hindrance for those entrepreneurs who are not native Icelanders and have a problem speaking/reading Icelandic. In the EU survey "eGovernment Benchmark 2017 Insight Report" Iceland was the lowest Nordic country on the score of "cross border mobility" which measures the availability and usability of services for foreign citizens and business. Clearly there is some room for improvement here.

Transparency

There is no special function for the entrepreneur to track the status of the licence procedure after all the necessary documents have been submitted to the District Commissioner and the local health authority. Because there are six different reviewers in the procedure entrepreneurs must contact them directly if information is needed on the status. Some of the reviewers need to visit the premises of the new restaurant to see if all obligations are met before they can give their comments, and this sometimes slows down the overall procedure.

The entrepreneurs have pointed out that it would be beneficial for them to monitor the status of the process at a single point. A digitalised process would help in this direction.

5.2 Internal digital processes

Administrative processes in government agencies

Overall the level of internal digitalisation within the national authorities is high. However, they all have separate digital systems and the flow of information between them is on paper as the systems are not sharing information digitally.

Within the Directorate of Internal Revenue emphasis has been put on improving digital solutions and automating the procedures within the agency. The purpose is to improve the service and simplify the procedures for their customers. The e-service for starting a business started in 2017.

For the operating and restaurant licence applications the process is still done manually. In some cases, there are electronic documents and forms available that can be filled out using a computer and sent to the responsible authorities by email. As there are many different agencies that are linked to the process, these documents often need to be printed out by different officials, checked for information and details entered into different systems. Usually they are only sent to the district commissioners in the beginning of the licence process which then distribute them to the relevant responsible agencies and reviewers.

There are nine different District Commissioners in Iceland and the areas they serve vary in size and population. They share a common IT system for overview and issuing operating licences. The IT systems they use are quite outdated and need to get a further boost to enhance the e-governance within them. There is work ongoing to further introduce digitalised administration into their processes. So far only one process has been digitalised and that is the handling of licences to homeowners who want to sell accommodation in their homes. This process is handled through the electronic portal service in Iceland www.island.is.

There are no special initiatives or digital co-operation between the different agencies on the national level in the process of starting a business. However, the Ministry of Finance and Economic Affairs has led an initiative to implement the 'X-road' infrastructure which is a link between the information systems of different entities that allows them to exchange data safely. The central part of X-road has already been installed in Iceland but so far only few public institutions have been connected. It is foreseen that this development could be a link in enabling the establishment of an all-electronic process for applying for a licence to start a restaurant.

Administrative processes in municipality agencies

An important part of the licence process is handled by the municipalities. The Icelandic National Audit Office did not focus in detail on the level of digitalisation in the different municipalities but in a brief overview it was found that the level varies between them. They are many (73) and different in size and therefore differently prepared to implement and adopt electronic application processes.

The same applies to the ten different local health authorities. They are all working independently on their information systems and the exchange of information between authorities is mainly by paper or email. The authorities are also different in size and population, some of them are small and do not get that many applications for restaurant licences to justify the high cost involved in creating a digital process that is only used a few times each year. Increased co-operation between local health authorities in this area could be a solution to enhance the quality and efficiency of their administration.

Other key findings

Technical debt

There are examples of outdated information systems both in government agencies and within the municipalities. The collapse of the banks in Iceland in 2008 and the following financial crisis resulted in considerable austerity measures both within the governmental agencies and the municipalities. This appeared among other things, in the postponement in renewal of information systems.

5.3 Digital co-operation

Digital co-operation on a national level

In the agreement between parties of the new government of Iceland formed in 2017 it was stated that:

> *"... an electronic service portal will be set up where people can approach the public service in one place and handle the issues that are directed at the government. A consultation portal will also be opened where the position of the public on legislation and projects will be requested when the preparatory phase and transparency are increased. Efforts will be made to simplify the regulatory framework for the business and the public. The government emphasises that administration is effective and fair..."*

In addition, the government has set a goal in a policy statement in May 2018 that digital services will be the main public relations channel from the government to the public and businesses by the year 2020. As described before, the portal www.island.is has already been set up but is still only used by few institutions and mainly for minor processes such as information exchange between agencies and citizens and simple licences.

The government policy is clear on the objective that e-governance should be implemented to achieve a more effective and better service both for the public and for businesses. The goal is also to ensure that information in communication with the government is only entered once into the information portal and from there it is accessible in the whole national system for different institutions.

The Ministry for Finance and Economic Affairs is responsible for coordination of the implementation of the electronic service portal in Iceland and for overall policy on digitalisation of the public sector. Within the ministry a project group for e-government is active and is working together with Registers Iceland to further enhance the use of the electronic service portal www.island.is. In the fiscal plan for 2019-2023 which the ministry put before parliament in April 2018 the goal is that 100 out of 164 public institutions have connected to the portal by the end of 2019 and all of them by the end of 2023.

Within that group there is work ongoing to further enhance the licensing part in the electronic portal service www.island.is. However, the plan is to implement first the simpler licence processes before working on more complicated processes like establishing a restaurant.

In addition to this the ministry is implementing the X-road data line as previously described. The intention is to begin by connecting public authorities to the mailbox on www.island.is through X-Road. Once that channel has been set up and is running smoothly, this could pave the way for other forms of communication between authorities.

5.4   National conclusions and recommendations

It is of great importance to further enhance the implementation of e-governance both within national authorities as well as in the municipalities to increase efficiency and effectiveness in their processes. In this audit we have focused on the process concerning establishment of a new restaurant and if and how digital solutions have been used to simplify for the entrepreneur.

The conclusion is that the implementation of digital solutions within the process of starting a restaurant is limited. The only part that has been fully digitalised is the registration of a new private company at the Directorate of Internal Revenue. All other steps are done on paper and in the process, information is sent to many different authorities, in some cases more than once.

Another conclusion is that there is a clear lack of a detailed step-by-step guidance and more transparency in the process so that the entrepreneurs can better prepare themselves for the procedure and subsequently follow the status of the application. There should also be more emphasis on creating guidance that is available in other languages than Icelandic.

The administrative processes within the national authorities and municipalities are not always compatible. Each authority has its own digital systems and there is no special initiative for designing a mutual system for the licence procedure.

A project group within the Ministry for Finance and Economic Affairs has already mapped the licence procedure of establishing a restaurant with the aim to implement the procedure into the electronic portal service www.island.is.
The process has however proved to be too complex and the focus will be on implementing a simpler licence process to begin with.

The audit shows that more co-operation and a better flow of information is needed in the procedure. It also shows that there are great opportunities to improve the life event of establishing a restaurant by further digitalising the process. This would add value to both entrepreneurs and public authorities. In addition, an electronic process that guides applicants through the application process would be likely to reduce the number of errors and problems.

6   Norway

Table 5 Overview of process and agencies

Process	Necessary steps and actions	Responsible agency
Starting a business	A limited company must first be founded in accordance with the Companies Act.	The Brønnøysund Register Centre
	Then the company must be registered in the Coordinated register notification.	
Establishing a restaurant	The entrepreneur must apply for a licence to serve alcohol.	The municipalities
	The entrepreneur must apply for a licence to serve food.	
	The entrepreneur must apply for approval of changes in the use of premises.	
	The entrepreneur must apply for an approval of renovation of premises.	
	The entrepreneur must apply for a release permit for greasy wastewater and approval of fat separators	
	The entrepreneur must register the restaurant with the Norwegian Food Safety Authority	The Norwegian Food Safety Authority
	The restaurant must be registered with the Norwegian Labour Inspection Authority. Nutrition codes are registered manually by case officers in the Brønnøysund Register Centre when establishing a private limited company	The Brønnøysund Register Centre

6.1   Starting a business using digital public services

The digital process on a national level

When establishing a private limited company, the company must first be founded and then registered. The digital solutions for founding and registering limited companies are located under the Altinn portal and managed by the Brønnøysund Register Centre. Altinn is an internet portal for digital dialogue between businesses, private individuals and government agencies. After founding, the company must be registered in the Coordinated Register notification. The Coordinated Register notification is used to provide information to the Central Coordinating Register for Legal Entities, Register of Business Enterprises, the Volunteer Register, the Value Added Tax Register, the Employer and employee register (Aa Register), the Business

and Enterprise Register at the Statistics Norway, registers Norwegian Labour and Welfare Organisation (NAV) and in the Directorate of Taxes. The users will therefore experience the establishing process as two forms to be completed.

Our audit shows that entrepreneurs who are going to start a restaurant as a limited company lack digital information about what to do, in what order it must be done and what kind of documentation will be required. The digital solutions do not clearly state that creating a limited company requires both foundation and registration. According to the Brønnøysund Register Centre some entrepreneurs therefore think that they have completed the statutory registration when the limited company is founded. Others do not know that they must found the company before they start the registration process in the Coordinated Register notification. There has also been uncertainty associated with the fact that when the Coordinated Register notification is completed, it must also be signed by the entrepreneur. In 2018, the solution and the text for the register were changed to reduce this ambiguity, but filling in and signing are still two separate tasks.

The Brønnøysund Register Centre has noticed that users who are going to establish a restaurant as a limited company often have problems with the registration, because they have not obtained sufficient information about what must be in place before they can start the registration in the Coordinated Register notification. One consequence is longer processing times and thus extra waiting time for the entrepreneur to register a limited company. The Brønnøysund Register Centre published an e-guide on Altinn for entrepreneurs in February 2019 for the food and beverage industry, with guidance in starting a limited company and restaurant business through a step-by-step e-guide that provides direct links to relevant websites for registrations and applications. It has not been possible to evaluate the effect of this e-guide because the publication of it was at the end of the examination period for this audit.

It is also possible to establish a limited company without using the digital solutions provided by Altinn. The audit shows that only 20 per cent of the entrepreneurs use the Brønnøysund Register Centre's digital solution when founding a limited company, and that 90 per cent use the digital solutions when completing the registration.[14] The remaining 10 per cent of the companies fill out a registration form on paper. The digital solutions ensure that necessary information is provided, and that required documentation is enclosed. When digital solutions are not used, there is an increased risk of incomplete or incorrect applications, resulting in longer case processing times and delayed start of business.

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[14] Figures from the Brønnøysund Register Centre for the first six months of 2018.

The local level: starting a restaurant

At the municipal level there are several different application processes for starting a restaurant, for example for a licence to serve alcohol and a licence to serve food. The manager and the deputy must have passed the Alcohol Act knowledge test in order to apply for a licence to serve alcohol. It is a requirement, pursuant to the Alcohol Act, that licence holders are of spotless repute. The general manager of the establishment must have passed the Food Services Act knowledge test in order to be eligible to apply for a licence to serve food. When there is a change in use of a property, or there is a need to renovate, the entrepreneur must apply for permission from the municipality to do so. Whenever there is a change in use, a permission to release greasy wastewater is also required. The selected municipalities in the audit have digital solutions for several of the application processes, but not for all. It also varies whether it is mandatory to use the digital solutions, or whether the applications can be sent on paper.

The audit shows that entrepreneurs who are going to start a restaurant, often find it difficult to get an overview of what information and what documentation the municipalities will require. There is a need for the municipalities to assemble and present all information about what the municipalities need in order to get a quick and flexible processing of the applications, what information and documents are to be submitted and which courses the entrepreneurs must complete in order to get the necessary licences. Lack of information can lead to incomplete applications for licences. Lack of information can also result in entrepreneurs remaining ignorant of the need to apply for approval of use or alterations in buildings, and do not send an application for a permission to release fat-containing wastewater with approval of fat separators. The consequences for the entrepreneurs may be longer processing times in the municipality, with delayed opening of the restaurant, and lost revenue. The consequences may otherwise be that premises will be used without necessary approvals, and that fat separators are not installed. Without fat separator wastewater will be discharged and damage the public pipeline network.

In the process of establishing a restaurant, the entrepreneurs are asked to provide the same information and the same documentation that they have already submitted earlier in the process. The entrepreneurs must provide personal information and enclose approximately the same documentation when applying for a licence to serve food as when applying for a licence to serve alcohol. The entrepreneurs are also required to send company certificates and tax certificates, shareholder book and other documentation of ownership several times. The documentation must be sent both for the parent company, holding company and possibly other nearby companies, and this must be obtained from Altinn for each individual company. All these documents are already available in Altinn, but must be downloaded locally by the entrepreneur, and then uploaded as attachments to the applications. This appears cumbersome and laborious and is not in accordance with the once-only principle. The once-only principle implies that citizens and businesses only need to provide data once, and that public administration agencies take actions to share and reuse the data, always in respect of data protection regulations and other constraints.

The processing of building applications pursuant to the Planning and Building Act must ensure that projects are carried out in compliance with statutes, regulations and planning decisions. The audit shows that both case officers in the municipal planning and building departments and the entrepreneurs perceive the regulation as difficult to access. The regulations are vague or discretionary, and decisions according to the Planning and Building Act may depend on the content of municipal plans. The audit shows that the municipal plans often are difficult to understand for both applicant and municipal case officer, and the consideration of whether changes in buildings or the use of premises are in accordance with the plans is often time-consuming.

Regulations depending on discretion and the contents of municipal plans make it difficult for entrepreneurs to predict whether planned measures are subject to application. Existing information and guidance measures are not well adapted to the complexity of the regulations. The opportunities that lie in digital solutions such as simulated decisions (rule check) are not used. This gives rise to the risk of inadequate applications and thus longer processing times. It also poses the risk that the necessary applications for approval are not submitted.

6.2 Internal digital processes

Administrative processes in government agencies

The most important government agency in the process of starting a business is the Brønnøysund Register Centre. According to the Brønnøysund Register Centre, there are no manual steps in the case proceedings for the founding of a limited company in Altinn. All the controls are done automatically when the entrepreneur completes the application form. When the necessary information and signatures have been submitted, the founders receive foundation documents and statutes in the Altinn inbox.

The case processing of the Coordinated Register notification includes several manual steps. The case officers check that the information about the company board is correct and in accordance with what is stated in the foundation documentation. They also check that the Brønnøysund Register Centre has received confirmation from the bank, accountant, auditor or lawyer that share capital has been paid. The applicant often sends such confirmations digitally in pdf format. It is also checked that there is a correlation between the confirmation of share capital, the foundation document and statutes, and that the business is registered with articles of association and foundation documentation. When the founding documentation states that the company has chosen an auditor, it is checked whether it is the same auditor that is listed in all contexts where the auditor is to be stated.

It is checked manually that the information the entrepreneur has given to the municipalities coincides. This is done even if the entrepreneur has used the digital solutions.

Administrative processes in municipality agencies

The sale, serving and preparation of alcoholic beverages can only be done on the basis of a licence under the Alcohol Act. The grounds for proper control indicate that a person as a rule can only be manager and/or deputy in one restaurant. The licensing authority in the municipality must assess whether the requirement for impeccable conduct has been fulfilled by licensees, managers and deputies and others with significant influence over the restaurant business.

Before the municipality decides on an application for a licence, it must obtain a statement from the social service and the police. In addition, the municipality can obtain statements from the tax authorities and the tax collectors.

The police consider the applicant's repute. The tax authorities and tax collectors provide information on unsettled claims. Tax collectors must also provide information on outlay transactions and bankruptcies. It varies how quickly the municipalities receive a response from the consultation authorities, but the case officers in the three municipalities state that the police often spend a long time answering. The police do not usually use electronic solutions in communication with the municipalities.

6.3   Digital co-operation

Digital co-operation on a national level

The audit has identified areas where the flow of information between agencies, both at national and local level, can be improved by collaborating to develop digital solutions.

There are sector-wide challenges for the Norwegian Food Safety Authority and the Norwegian Labour Inspection Authority

The audit shows that the Norwegian Food Safety Authority has challenges related to the fact that the authority does not have a good enough overview of the current licenses for serving alcohol and food. The consequences of this may be that the Norwegian Food Safety Authority in its inspection work seeks out places that have been closed down, and that there are restaurants that are not registered with the Norwegian Food Safety Authority.

The Norwegian Labour Inspection Authority has challenges when companies are not registered with the correct nutrition code. Supervision is based on nutrition codes which are registered manually by case officers in the Brønnøysund Register Centre when establishing a limited company. Case officers in the Brønnøysund Register Centre select the nutrition code based on a text description from the entrepreneur by the foundation and registration of a limited company. The audit shows that there is a risk that the wrong nutrition code will be set. The consequence may be that it is not discovered that businesses should be supervised.

There is a lack of an overview of managers and deputies at the national level

The case officers in the three investigated municipalities and the Norwegian Labour Inspection Authority request a searchable national Licence Register of directors and deputies in order to be able to verify that the same person does not hold such positions in several places, for reasons of proper control to be carried out.

The Norwegian Directorate of Health operates the Licence Register which contains information on licences to serve alcohol. The register is nationwide, but does not contain information about managers and deputies, even though the licence is always related to persons. This means that the municipalities cannot use the register in their control of applications for licences to serve alcohol in order to gain knowledge of the manager's and deputy's activities outside the municipality. The Licence Register could be a useful and effective tool for the municipalities if the register contained information about the managers and deputies. Now the municipalities are dependent on non-digital sources, for example co-operation with other municipalities, to gain knowledge about managers and deputies' activities outside the municipality. Lack of digital information about managers and deputies across municipal boundaries leads to less efficient case processing and longer waiting time for the entrepreneurs.

Digital postal services are not used by all government agencies

The three municipalities in the audit use the digital solution SvarUt in the communication with the applicants and public agencies in the case processing. SvarUt communicates with Altinn. The correspondence between the municipalities and the government agencies is in some cases difficult because some government agencies do not use digital mail communication as a part of the application process, for example the police. According to one municipality the response time has been significantly reduced after the introduction of digital response from a local tax office.

The regulations for building case processing do not simplify digitalisation

The audit shows that both entrepreneurs and case officers in municipal planning and building departments have problems interpreting the regulations on the obligation to apply and approving measures, partly because the regulations on building case management are largely discretionary and because municipal plans can be difficult to interpret. There is also a lack of good self-service solutions and digital tools that could make the content of regulations and municipal plans clearer and easier available. It is a governmental goal that regulations and administrative processes facilitate increased digital interaction in planning and construction processes. Unclear and discretionary regulations make it difficult to develop user-friendly digital solutions.

Digital co-operation on a municipality level

Three municipal departments are usually involved when an entrepreneur submit an application to start a restaurant; the Licence control, the planning and building department and the water and wastewater service. The audit shows that in some cases there is a lack of information flow between the municipal government departments. The entrepreneurs are familiar with the requirement for licensing at the start of a new restaurant, but not all entrepreneurs know that it may be necessary to submit an application for use or alterations in buildings and an application for approval of a fat separator. Lack of knowledge among the entrepreneurs and the lack of information flow between the municipal departments poses a risk that planning and building departments and water and wastewater departments will not receive the necessary information. Then they do not get the opportunity to enforce the regulations they manage. This may cause the premises not to be approved for restaurant operations and that fat separators will not be installed.

The Building Act Regulations impose the municipal building authorities with a duty to coordinate their activity with the fire service. The audit shows that there are different practices in the investigated municipalities as to whether the fire service is involved in establishing a new restaurant. This poses a risk that fire prevention measures are not in place before the restaurants are opened, and that the fire service cannot adapt the supervision to the risks of the restaurants.

Digital co-operation between government agencies and municipalities or regions

In 2014, the Directorate for Building Quality (DiBK) prepared a strategy for digitalisation of the construction sector, called ByggNett. It was based on a mandate from the Ministry of Local Government and Modernisation. There have been challenges in using Byggsøk (planning application on net), and DIBK is working on a new solution, eByggeSak. eByggeSak will facilitate electronic solutions, and the goal is for the case processing to be entirely electronic. According to the municipalities, eByggeSak will be a better case management system, but it will take time before the system gets all the necessary functionality.

Directorate for Administration and ICT (Difi)[15] and KS[16] have collaborated so that the County Governor and the municipal sector can communicate digitally by connecting two IT systems (eFormidling and FIKS). This can lead to more effective solutions where all parties get the documents directly into the respective case and archive systems in line with the eGovernment Regulations.

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[15] Difi is a directorate of the Ministry of Local Government and Modernisation.
[16] KS is the municipal sector's interest and employer organisation in Norway.

6.4 National conclusions and recommendations

The Office of the Auditor General of Norway recommends that the Ministry of Local Government and Modernisation follow up:

- that public authorities develop digital transversal solutions to reuse already reported information so that the entrepreneurs only have to report the same information to the authorities once.
- that public authorities utilise the potential for further digitalising case processing
  - by a government commitment to a national licence register with a functionality that can streamline the case processing and shorten the waiting time for the entrepreneurs.
  - by motivating municipal departments to utilise the digital solutions by providing guidance to the entrepreneurs to ensure complete applications and shorter processing times.
  - that information and guidance measures are adapted to the complexity of the regulations in the Planning and Building Act, and that digital solutions are to a greater extent exploited to ensure predictability and compliance.
- that the regulations in the Planning and Building Act to a greater extent facilitate the development of good self-service solutions for the entrepreneurs and good digital tools for the case officers.

7 Sweden

Table 6 Overview of process and agencies

Process	Necessary steps and actions	Responsible agency
Starting a business	Founding and registering a business using verksamt.se's online service or paper form	The Companies Registration Office
	Register for a F-tax or FA-tax certificate, register for VAT and/or employer Registration using verksamt.se's online service or paper form	The Tax Agency
Establishing a restaurant	Applying for licence to serve alcohol using the municipality's online service or paper form	Social Services Department
	Applying for plant food registration using the municipality's online service or paper form	Environment Department
	Applying for approval of use or alterations in buildings using the municipality's online service or paper form	Urban Planning Department
	Measures to limit fire hazard using the municipality's paper form	Rescue Services

7.1 Starting a business using digital public services

The digital process at a national level

Verksamt.se a single point of entry with three million users

Since 2009, there is a multi-agency website for entrepreneurs called verksamt.se, which had three million users in 2018. Verksamt.se offers:

- An overview of the process of starting a business by bringing together information from approximately fifty authorities.
- The e-services of the Companies Registration Office and the Tax Agency for registration of companies.
- Various tools that help entrepreneurs to get an overall picture of the requirements for starting a business.
- Checklists for certain industries, such as restaurants, and for various corporate forms, providing information regarding relevant licences, permits and government agencies.
- Information from government agencies regarding the basic details, role and business engagements of entrepreneurs is available on "My pages" at verksamt.se.

Verksamt.se is designed to be a single gateway for entrepreneurs when starting a business. A majority of those who use verksamt.se state that the website makes it easier to start and run a business. However, the website fails to fully simplify the process of starting a business digitally. There are two e-services integrated at verksamt.se, one e-service for founding and registering a business at the Companies Registration Office and one e-service registering for tax, VAT and as an employer at the Tax Agency. Most registrations for starting companies are received by the Companies Registration Office and the Tax Agency via the authorities' e-services at verksamt.se, 83 per cent and 61 per cent respectively. However, a relatively large proportion of entrepreneurs prefer to submit paper applications to the Tax Agency, because they tend to find it easier. This indicates that there is room for improving the e-service.

Moreover, verksamt.se is based on a technical platform that has limited potential for technical development and a high threshold for adding new e-services. The agencies involved in verksamt.se are working on developing verksamt.se as the current website does not meet the needs of entrepreneurs and government agencies well enough.

The Composite Service of Basic Information on Companies reduces entrepreneurs' information reporting

Three government agencies jointly created a composite service of basic information on companies in 2015 which aims to reduce entrepreneurs' information reporting to public authorities by pre-filling e-services with entrepreneurs' data. The composite service collects so-called basic information (company name, address, email, VAT, capital etc.) from already existing registers of the Companies Registration Office, the Tax Agency and Statistics Sweden.

In February 2019, the composite service provided information to "My pages" at verksamt.se, to certain e-services for entrepreneurs in 93 out of 290 municipalities, two organisations and two government agencies. The benefit of the composite service is a decreased administrative burden for entrepreneurs, as well as increased accuracy of applications for affiliated organisations.

Digital initiatives to simplify the process for starting a restaurant

The Government initiated Serverat in 2016, in order to simplify processes for entrepreneurs within the restaurant and tourism industry. The programme's objective is to streamline municipal processing of licences and permits, as well as offer entrepreneurs in the restaurant and tourism industry specific digital information, guidance and services via verksamt.se. Since 2019, the Agency for Economic and Regional Growth manages Serverat in collaboration with the Companies Registration Office and the Swedish Association for the Swedish Association of Local Authorities and Regions (SALAR).

Within the framework of Serverat, the following examples have been developed, among other things:

- A guide and checklist available at verksamt.se for entrepreneurs who are starting a restaurant. The checklist provides a customised overview of the registrations and licences required to start a restaurant.
- Four specifications for e-services, which municipalities can use when developing e-services for licence applications. The specifications are based on a review and clean-up of the information reporting requirements and information provided to entrepreneurs.

Serverat is based on voluntary affiliation by municipalities. Being affiliated means that municipalities must have developed at least one e-service based on the specifications developed within Serverat, preferably be linked to the checklist on verksamt.se and connected to the Composite Service of Basic Information on Companies. In February 2019, 23 out of 290 municipalities were affiliated with Serverat. Due to the low affiliation of municipalities, few entrepreneurs had benefited from the measures taken within Serverat.

Other key findings

Adaptation of verksamt.se to make information available in other languages and to individuals with disabilities

An accessibility assessment of verksamt.se has led to, among other things, the addition of talking web and text alternatives to films and podcasts. However, plans to achieve the highest accessibility level in accordance with the EU Directive (2016/2102) have been given a lower priority since the Agency for Economic and Regional Growth and the Companies Registration Office are planning to rebuild verksamt.se.

Efforts have been made to improve availability of information in different languages at verksamt.se for entrepreneurs with a mother tongue other than Swedish. For example, information at verksamt.se for the target groups asylum seekers and newly arrived immigrants has been improved. The issue of offering information texts on verksamt.se and in printed form in languages other than English is regularly discussed.

7.2 Internal digital processes

Administrative processes in government agencies

The Companies Registration Office and the Tax Agency have well-established digital case handling systems supporting the case handling process and work continuously on digital development. The digital case handling systems have led to less manual work for the case officers. The digital case handling systems also simplify information sharing as case officers have direct access to the information needed from other agencies.

However, manual elements are common as case officers need to enter information manually or check information in several different IT systems. The reason for this is primarily that the Companies Registration Office and the Tax Agency's case handling systems are not integrated with other IT systems necessary for the case handling process. One reason is old systems and platforms, which make it difficult for the authorities to make full use of the opportunities presented by digitalisation by integrating case handling systems, reducing manual processing and developing automated elements.

Both the Companies Registration Office and the Tax Agency have chosen to use the digital mail service Mina meddelanden in order to send information and decisions to the entrepreneur. Mina meddelanden is a secure digital mail service from authorities and municipalities which has been operating since 2012. However, Mina meddelanden can only be used for sending digital post, which means that citizens or entrepreneurs cannot answer the agencies digitally. Communication between the case officer and entrepreneurs is instead carried out via post, email and telephone.

Administrative processes in municipalities

The municipalities that were a part of the case study in the audit both had e-services integrated with the case handling system for licences to serve alcohol. Both Karlskrona Municipality and the City of Stockholm receive applications from their e-services with pre-filled information; either via the Composite Service of Basic Information on Companies (Karlskrona municipality) or via a private supplier (the City of Stockholm), which contributes to basic information being correct from the start. Incomplete applications are common, however. The main reason is that the legislation and data requirements are complex and relatively comprehensive, which means that it can be difficult for the entrepreneur understand what information is being requested and what it should be used for. The need for supplementation also means that it is difficult to shorten the processing times – waiting for answers from entrepreneurs can mean that the processing time extends, which means that processing time can vary from two weeks to three months.

Applications for a licence to serve alcohol are sent on referral to other municipal departments and government agencies. There is no secure digital communication solution for referral to government agencies, so most municipalities use email or post.

It is worth noting that the permits and licences relevant when starting a restaurant are a minor part of the municipal case handling. In 2017, 2 357 new restaurants started nationwide. Of these, the three major cities accounted for 24 per cent (558 restaurants, of which 289 are in Stockholm.) In 29 out of 290 municipalities, no restaurants were started, in 104 municipalities fewer than four restaurants, and in 98 municipalities 4–9 restaurants. In total, 80 per cent of the municipalities had fewer than 10 newly started restaurants (the number of applications varies from year to year).

While business issues and entrepreneurship are important for municipalities, municipal digitalisation generally focuses on areas with larger numbers of cases in order to ensure a reasonable cost-/benefit ratio regarding digital development. These areas are mainly found in the municipalities' core areas such as schools and care, as well as in construction and community planning.

7.3 Digital co-operation

Digitalisation of the public sector – goals and strategies

The Government has ambitious goals regarding the public administration's digitalisation – the administration is to be ranked among the best globally at making use of the opportunities presented by digitalisation. In 2017, the government presented a new strategy for digitalisation, with five focus areas: digital competence, digital safety, digital innovation, digital leadership and digital infrastructure. Since the strategy was presented, the government has initiated approximately 200 different actions related to the five focus areas.

The development of the public administration's digitalisation is mainly decentralised to government agencies. Governance is through strategies, committees and special assignments to agencies. In September 2018, the government established a new government agency for digital government as several reports and inquiries have concluded that the governance of the public administration's digitalisation has been complex and overly fragmented. The new authority has a collective responsibility for these issues in order to achieve more transparent governance toward the goals set by the government.

Co-operation on a national level

The key initiatives to simplify the process of starting a business that were in focus in the national audit are based on co-operation and collaboration between public agencies.

Verksamt.se was initiated by government agencies and not by the Government. The Government has since 2013 stated objectives and assigned tasks related to verksamt.se. The Companies Registration Office and the Agency for Economic and Regional Growth lead the co-operation organisation behind verksamt.se. The Tax Agency and the Public Employment Service also participate in the co-operation, together with seven other government agencies. The agencies' level of engagement differs, resulting in different responsibilities and level of financing according to a set structure. The collaboration is however suffering from difficulties with adapting verksamt.se to the different authorities planning processes and possibilities of allocating resources. This has contributed to inefficiency in developing and running the website.

Serverat has had challenges in finding a stable organisational form and reaching out to municipalities. The objectives of Serverat have been revised several times and there has been difficulty in identifying the proper owner for the programme. Many municipalities lack the digital ability necessary for being affiliated to Serverat. The interest of the municipalities that have the digital ability has been limited. Some municipalities already have their own e-services for entrepreneurs. Furthermore, the applications included in Serverat constitute a small part of the municipalities' total number of applications. The results of the programme have thus far been limited.

7.4 National conclusions and recommendations

While verksamt.se has made it easier to start a business, there is still room for improvements, especially for developing user-friendly e-services. Furthermore, verksamt.se is based on an old technical platform with limited potential for technical development.

Although the case handling processes within the Companies Registration Office and the Tax Agency for registering new businesses are digitalised, they are not effectively digitalised as there are recurring manual elements due to a lack of integration between case handling systems.

Digitalisation in the public administration is well established; e-services and case handling systems are common and operating since decades. However, due to a decentralised model for governing the public administration's digitalisation, inefficient co-operation and old case handling systems, the digital development of the public administration is far from effective.

The co-operation between national agencies within the different projects for simplifying the administrative process for entrepreneurs has not been fully effective, which has led to a lack of efficiency in the implementation. This is partly due to external factors which affect the possibility of conducting successful digitalisation projects, such as lack of clear ownership of projects that are jointly owned by multiple government agencies, which in turn affects the agencies' possibilities to prioritise co-operation over their existing tasks. Government agencies also face challenges related to legislation that does not give enough guidance on how to develop or operate a digital government.

Recommendations

The National Audit Office's recommendation to the Government:

- In order to achieve the Parliament's and the Government's goals for the public administration's digitalisation, the National Audit Office recommends that the Government continues to take measures to simplify digital collaboration between the authorities. The focus should be on issues such as legal conditions for digital services, priority conflicts in digital collaboration, and financing of common digital services.

The National Audit Office's recommendations to government agencies:

- The National Audit Office recommends the Agency for Economic and Regional Growth and the Companies Registration Office to ensure the benefit of both entrepreneurs and participating authorities in their efforts to develop verksamt.se.
- Due to Serverat's lack of results, the National Audit Office recommends the Agency for Economic and Regional Growth to review the design of Serverat.
- The National Audit Office recommends that the Companies Registration Office and the Tax Agency actively work to ensure that cases are received digitally to a greater extent in order to ensure user utility, more correct applications and shorter processing times.

Glossary

Terminology	Definition
Automation	The technique, method, or system of operating or controlling a process by highly automatic means, as by electronic devices, reducing human intervention to a minimum.
Digitalisation	The transformation of all sectors of the economy, government and society based on the large-scale adoptions of existing and emerging digital technologies.
E-governance	The public sector's use of information and communication technologies with the aim of improving information and service delivery, encouraging citizen participation in the decision-making process and making government more accountable, transparent and effective.
E-government	The use of information and communication technologies (ICT's) to more effectively and efficiently deliver government services to citizens and businesses. It is the application of ICT in government operations, achieving public ends by digital means. The underlying principle of e-government, supported by an effective e-governance institutional framework, is to improve the internal workings of the public sector by reducing financial costs and transaction times so as to better integrate work flows and processes and enable effective resource utilisation across the various public sector agencies aiming for sustainable solutions.
E-service	The use of electronic technology by an organisation to provide services to its customers.
Legacy systems	Systems or applications that may be based on outdated technologies, but are critical to day-to-day operations
Portal	A website that collects information on a particular subject and has links (connections) to other websites with related information.

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