

The activity of the Ministry of Internal Affairs in administration of buildings belonging to the state

Audit Report No. OSII-2-6/06/4 of February 3, 2006

Executive Summary

State Audit Office audited the activity of the Ministry of Internal Affairs in the administration of buildings belonging to its area of government, particularly focusing on the administration of buildings not needed for the main activity of the ministry and the institutions in its area of government. All relevant problems were observed in relation with buildings and structures of institutions in the Ministry's area of government belonging to the sample.

As of March, 2004, there were 1,139 buildings in the administration of the Ministry of Internal Affairs (hereinafter also referred to as Ministry), and 1,053 buildings or parts of buildings by the end of the same year. Usable floor space of the buildings formed 446,000 m², 52,000 m² of this were living quarters. There were a total of 382 structures with the cost of 400 million kroons.

In its 2003 overview of the use and preservation of state assets, the SAO brought up bad economy in the use of buildings belonging to the state as a general problem (37% of the buildings were unused). As a result, the Government of the Republic assigned every minister with the task of developing a plan of action regarding the administration of immovable items and buildings in their area of government to optimise the use of assets and analyse the expediency of transferring the assets to Riigi Kinnisvara AS. The ministers were asked to analyse the commercial lease contracts valid in their area of government and change or terminate harmful contracts.

The main objective of this audit was to give an evaluation to the Ministry's activity in getting rid of unnecessary buildings in its area of government and inspect the fulfilling of promises given for the execution of the task of the Government of the Republic.

As a result of this audit, the SAO states that the activity of the Ministry of Internal Affairs in administering the immovable items in its area of government was purposeful and systematic in the audited period.

Main observations

The Ministry has fulfilled its promises. Activities of transfer and write-off of immovable items were planned and executed pursuant to legislation. During 2004, the ministry got rid of 10% of the buildings not necessary for its main activity.

- A unified immovable property register of the area of government has been established and it contains thorough information on the existence, condition and use of immovable items. The immovable items have been mapped and fully entered into State Assets Register. 76% of land under the buildings in the administration of the Ministry has been registered.
- Immovable property development plan has been drawn up based on the needs of the buildings in the area of government.

A quarter of the buildings are unnecessary. The problem does not have a final solution. Of the total number of the buildings in the area of government, there remain about 25% of buildings unnecessary for the main activity, mostly buildings of former cordons in border surveillance authorities. Other authorities have only a few unnecessary buildings.

Residual pollution site of national relevance in Kopli harbours (Border Guard harbour and those next to it) has to be eliminated, incl. structures connected with petroleum handling that contain petroleum sedimentation in Border Guard harbour.

Thanks to the lack of investments, timely renovation of the buildings needed for main activity is not ensured.

- Due to the lack of investments, buildings in Border Guard harbour that are necessary for main activity and need immediate renovation, are breaking down. Delay in renovation brings along a relevantly bigger cost of the buildings' later reconstruction.

Proposals

To the Minister of Internal Affairs

- Continue the transfer of immovable property not needed for main activity. Divide the registered immovable items (if technically and logistically possible) into parts based on the size and specifics of the unnecessary immovable items, and the number and location of the buildings on them, and sell part by part in different times. This enables for a bigger amount of potential buyers to participate and receive bigger sales revenue and accelerates the transfer.
- Get rid of all the buildings (registered immovable property) unnecessary for main activity.
- Find opportunities to renovate the structures in Border Guard harbour as well as the buildings and communications located in Süsta 15, Tallinn to prevent the relevant increase of cost for their reconstruction later.

To the Minister of Internal Affairs and Minister of the Environment

- Cooperate in applying for money from European Union Structural Funds to liquidate the hazardous residual pollution in Border Guard harbour.

To the Minister of the Environment

- Require the companies responsible for the liquidation of pollution in Kopli peninsula's harbour region an immediate blocking of the pollutions spread to neighbouring areas and after that liquidation of the pollution.

The draft audit report was presented to the Minister of Internal Affairs and Minister of the Environment. The Ministers gave their statements regarding the problems brought out and the proposals made in the audit report.

The Minister of the Environment stated that the Ministry of the Environment has started preparing the application for financing the elimination of residual pollution. A technical aid project is being developed for the preparation of application for financing for European Union Cohesion Fund. The technical aid project will supposedly be completed by spring, 2007, after which it will be submitted for funding.

The Minister of Internal Affairs promised to take into account the SAO's proposals as much as possible when planning the activities and investments.

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