

The State's responsibility for veterinary services – the Swedish Board of Agriculture's governance and implementation

Summary and recommendations

The Swedish National Audit Office (Swedish NAO) has audited the Swedish Board of Agriculture's work to ensure access to veterinary services, including the activities of the District Veterinarians. This included whether the Board of Agriculture ensures that the District Veterinarians' activities are conducted so that competition is maintained on similar terms in the veterinary market.

The overall conclusion is that there are major deficiencies in the Government's and the Board of Agriculture's governance and follow-up. There are also deficiencies in how the Board of Agriculture ensures access to veterinary services. This means that there is a risk that veterinary services will be inadequate in some parts of Sweden. Nor does the Board of Agriculture ensure that the District Veterinarians' activities are conducted so that competition is maintained on similar terms in the veterinary market.

Audit findings

The Government has not followed up that the intentions of the veterinary services have been fulfilled

In 2009, the Riksdag and the Government decided on changes in the State's undertaking to ensure access to veterinary services and highlighted a number of clear intentions regarding the changes. Among other things, the District Veterinarians would have several restrictions in their assignment and the Board of Agriculture would ensure competition on similar terms in the veterinary market, given this assignment. The Government has decided on regulations that will restrict the assignment and that aim to ensure competition on similar terms. The Government has not followed up whether the regulations work and whether the Board of Agriculture complies with them.

There are major deficiencies in how the Board of Agriculture ensures access to veterinary services

The Board of Agriculture does not ensure that there is a well-functioning, effective organisation for care of animals throughout the country, around the clock, and is passive in its implementation of this task.

Nor has the Board of Agriculture ensured that the District Veterinarians' activities are conducted in accordance with the restrictions decided on by the Government or in accordance with the Board of Agriculture's own decisions. This applies to restrictions on the type of care that the District Veterinarians are allowed to provide and where they may be established. Nor does the Board of Agriculture always separate its ordering and executing roles in preparation of matters relating to veterinary services.

The Board of Agriculture does not ensure competition on similar terms

The Board of Agriculture does not differentiate between the District Veterinarians' income and expenses for veterinary services of general economic interest and the District Veterinarians' income and expenses for activities they conduct in competition with private veterinarians. It is therefore not possible to assess whether the central government compensation to the District Veterinarians is used to finance the part of their activities that is conducted in competition, i.e. whether cross-subsidisation occurs. This also means that the Board of Agriculture does not apply the calculation method that is to be used to determine and report such compensation. The calculation method, together with procurement, is intended as a tool to prevent cross-subsidisation. Since the Board of Agriculture ceased procurement in 2016, the Board uses neither of these two tools to prevent cross-subsidisation.

The audit also shows that there is a risk that the Board of Agriculture does not take competition matters into account when deciding where the District Veterinarians' clinics should be located.

Recommendations

Recommendations to the Government

- Follow up the outcome of the Riksdag's intentions regarding the changes to veterinary services in 2009. The follow-up should particularly include:
 - the need to improve the work of ensuring access to veterinary services
 - the consequences of the Board of Agriculture using neither the procurement of veterinary services nor the designated calculation method for central government compensation to the District Veterinarians.

- Investigate how the ordering and executing roles can be better separated in the work of ensuring access to veterinary services.

Recommendations to the Swedish Board of Agriculture

- Improve the work of ensuring access to veterinary services by:
 - regularly following up and documenting how the veterinary services work
 - regularly following up and analysing the supply of and demand for animal health staff and other veterinary care staff
 - regularly assessing how access to veterinary services in all parts of the country can be ensured in the longer term, for example, through regular dialogue with private veterinarians
 - establishing principles for how private veterinarians are to be assigned responsibility for veterinary services and on what conditions.
- Improve the governance and follow-up of the District Veterinarians by:
 - specifying the key concepts that will limit the care that the District Veterinarians are allowed to provide
 - regularly following up and reassessing that the District Veterinarians are only established where required to ensure access to veterinary services throughout the country
 - ensuring that there are clear guidelines for the District Veterinarians' sales activities and for how competition is to be taken into account before deciding on the location of the District Veterinarians' clinics.
- Change the reporting of the District Veterinarians' income and expenses so that it can be ensured that central government compensation for veterinary services of general economic interest is not used to finance the part of the District Veterinarians' activities that is conducted in competition.