



**The National Audit Office's
Strategy for 2010-2012**



The National Audit Office's Strategy for 2010-2012

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Strategic management commitment

The Auditor General and the undersigned assistant auditor generals and directors of the National Audit Office have together prepared strategic lines for focusing the National Audit Office's audit, control and expert activities and developing emphases and activities. Strategic lines concerning the principles and goals of focusing the external audit of the financial management of the state that is the responsibility of the National Audit Office are based on the International Standards of Supreme Audit Institutions that have been approved by the International Organisation of Supreme Audit Institutions (www.issai.org). The specification of theme areas and audit themes and other strategic lines concerning the focusing of audits are based on risk analyses conducted by the National Audit Office.

The strategy is given concrete form in the operational and financial plan, performance objectives and audit plan that are prepared each year by the National Audit Office. In 2010 the National Audit Office will adopt a management agreement procedure for senior management. In the management agreement the Auditor General and each assistant auditor general or director will agree on important matters in management and the development of management in the strategy period and particularly the implementation of this strategy in management.

In connection with the approval of this update we have made the following strategic management commitment.

Auditor General's strategic management commitment

As Auditor General in my own management work I will strive to implement the National Audit Office's strategy that is presented in this document consistently and to provide preconditions for the National Audit Office's staff and operational and service units to implement the strategy. I will strive to draw attention to the supreme external audit goals according to the strategy to stakeholders and in social discussion and by drawing attention to the supreme external audit perspective to implement strategic objectives. I will also strive to evaluate and develop systematically the National Audit Office's strategy.

Helsinki, 15 February 2010

Auditor General Tuomas Pöysti

Assistant auditor generals' and directors' management commitment

We pledge to implement the National Audit Office's strategy that is presented in this document consistently and purposefully. Through our management and by developing activities we will strive to ensure that the objectives presented in the strategy are implemented as well as possible. We pledge to support the Auditor General, each other and the directors under us in management and all the National Audit Office's employees in implementing this strategy and achieving objectives.

Helsinki, 15 February 2010

Assistant Auditor General Vesa Jatkola

Assistant Auditor General Marjatta Kimmonen

Chief of Staff Tytti Yli-Viikari

Assistant Auditor General Esa Tammelin

Director of Administration Mikko Koiranen

1 Position, tasks, operational goals and objectives

Section 90 of the Constitution of Finland calls for an independent National Audit Office in connection with Parliament to audit the financial management of the state and compliance with the budget.

The National Audit Office is an independent audit and control authority that is prescribed in the Constitution and operates outside the state administration or administration under Parliament. The National Audit Office is an independent control authority prescribed in the Constitution along with the Parliamentary Ombudsman and the Chancellor of Justice¹.

According to section 1 of the Act on the National Audit Office (676/2000), the National Audit Office's task is to ensure the legality and effectiveness of the financial management of the state and compliance with the budget. The National Audit Office makes sure that central government finances are managed according to legislation and Parliament's decisions and in a sound manner. Auditing also strives to ensure that the objectives set by Parliament are achieved and that the Government and administration have taken the necessary measures to achieve them.

The constitutional objective of the National Audit Office is to promote and ensure confidence in the rule of law and democracy in the financial management of the state and public activities.

¹ *The National Audit Office is not subordinate to a ministry as part of central administration according to section 119 of the Constitution or part of administration subordinate to Parliament as laid down by an Act according to section 119 of the Constitution. See Government proposal 1/1998 for a new Constitution Act and Constitutional Law Committee report 10/1998 regarding the proposal as well as Government proposal 39/2000 for an Act on the National Audit Office and Constitutional Law Committee report 19/2000 regarding the proposal.*

The National Audit Office's goal

The National Audit Office's basic goal is to promote the effectiveness and quality of the financial management of the state.

The National Audit Office is part of the constitutional system for implementing and ensuring Parliament's financial power. By performing external audits of the financial management of the state the National Audit Office supports Parliament in the exercise of its legislative, budgetary and oversight power under the Constitution.

The National Audit Office's goal is to produce objective, timely, useful and reliable control and audit information on the financial management of the state, compliance with the budget and the regularity of the financial management of the state and activities for Parliament, the Government and subordinate administration, which Parliament and the Government can use in decision-making and oversight.

The role of the external audit performed by the National Audit Office is to hold the Government and administration responsible for the state's financial management accountable for activities that are effective and in accordance with Parliament's will and good governance and thus ensure and develop the effectiveness and quality of the financial management of the state, which is the basic goal.

The National Audit Office's role

The National Audit Office's role as Finland's supreme audit institution is to act as the conscience of the state economy.

The National Audit Office fulfils its task by conducting financial audits, legality audits and performance audits as well as audits that combine these methods.

The National Audit Office's objectives

Through its audit activities and related expert activities the National Audit Office strives to

- ensure compliance with the budget and regulations concerning financial management
- ensure true and fair reporting on the state economy and the development of the social effectiveness and operational performance of the state's activities
- promote the social effectiveness of the financial management of the state and the state's activities as well as the operational performance of the financial management of the state and state administration and
- support good governance and the implementation of general principles regarding financial management.

In addition to the external audit task prescribed in the Constitution, the National Audit Office is also the authority responsible for monitoring the transparency of the legality of election financing as prescribed in the Election Financing Act (273/2009).

By monitoring election financing and by publishing election financing notifications the National Audit Office creates preconditions for open, honest and free elections, which are the cornerstones of democracy, so that citizens can evaluate the interests of elected candidates and promote the principles of good governance.

2 Values and operating principles

All the National Audit Office's activities are guided by the National Audit Office's common values, which are:

- objectivity
- expertise
- cooperation
- courage and
- effectiveness.

Other principles that guide activities are:

- reliability
- economy
- substantiality
- independence
- openness and
- fairness.

Audit conclusions and positions are based on audit observations, the reliability of which is properly evaluated and checked. In order to ensure reliability, different sources of information are used. Sources and their connection to the matters involved are documented carefully.

Audits must always approach their subject from an economic point of view. This must be emphasised both in defining audit objectives and in audit reports.

Substantiality means that in focusing audits, formulating audit questions and making observations and in placing emphasis on observations and conclusions in reporting the criteria are

- the financial scope and significance of the matter for the state economy, also over the longer term and
- the significance of the matter for financial decision-making and oversight by Parliament and the Government.

Independence ensures the reliability and objectivity of the National Audit Office's observations and reporting. The National Audit Office approves its own objectives and independently decides on its operating strategies and annual operational and audit plans, the methods that are used in audits and the reporting of audit results. Independence requires objective and responsible activities. The National Audit Office participates in discussion and preparatory work concerning the financial management, social policy

and related means as well as the development of administration as an expert in such a way as not to endanger its independence or possibilities to audit measures subsequently.

Information is provided openly with regard to the objectives, methods and results of audits, according to the constitutional principle of transparency. Audit results are reported to auditees without unnecessary delay. During the course of an audit the appropriate persons provide information orally, in writing or both.

Fairness means that the National Audit Office audits and evaluates matters and obtains information from auditees in a fair and balanced manner. Fairness also guides the National Audit Office's internal operations.

In addition fairness includes taking gender equality into account in future benefits and costs when consideration is given to the financial perspective and the substantiality of the matter.

3 Vision

The National Audit Office is an internationally and nationally respected expert in its field. The National Audit Office is respected for its deep expertise concerning the financial management of the state and state administration.

The Office's vision from the viewpoint of different stakeholders:

Parliament

The Office's activities support Parliament's budgetary, legislative and oversight power. Parliament perceives National Audit Office as producing objective, reliable, timely and useful audit information concerning

- the implementation of the budget
- the management of statutory tasks assigned to the Government and administration, the achievement of targets and the economy of measures
- the reliability and adequacy of the planning and reporting information supplied to Parliament by administration and
- the provision of true and fair information in the final central government accounts and the Report on the Final Central Government Accounts.

The Government

The National Audit Office's activities support the Government's preparatory work and decision-making regarding the financial management of the state and the steering of subordinate administration. The Government perceives that the National Audit Office as an outside auditor and expert produces objective, reliable, timely and useful audit information that is needed in decision-making and steering administration concerning

- the effectiveness and regularity of the financial management of the state and state functions
- compliance with the budget, regulations and other decisions in the financial management of the state and
- the provision of true and fair information on ministries' and government agencies' finances and operational effectiveness in final accounts.

Government agencies

Government agencies and funds outside the state budget perceive that the National Audit Office as an outside auditor and expert produces objective, reliable, timely and useful audit information that is needed in management concerning

- the effectiveness and regularity of financial management and activities
- compliance with the budget, regulations and other decisions in financial management and
- the provision of true and fair information regarding finances and operations in final accounts.

Citizens

The National Audit Office publishes audit results openly, and citizens are thus assured of the legality and effectiveness of the financial management of the state. Citizens perceive the National Audit Office as promoting and ensuring good governance in the financial management of the state.

Citizens view the National Audit Office as an independent and reliable audit authority and regard its activities as important.

Staff

The National Audit Office is a competitive employer and a motivating and respected work community made up of experts.

The National Audit Office's staff are highly skilled and have a strong professional identity. Their expertise is respected by Parliament, the state administration and society at large as well as the international community.

4 Critical success factors

Critical success factors for the National Audit Office's vision are matters in which the National Audit Office must succeed. Success in these matters means that Parliament, the Government and subordinate administration perceive the National Audit Office as a top expert that produces objective and useful audit information for use in the exercise of budgetary and legislative power and in steering administration.

Critical success factors are:

- the proper focusing and timing of audit activities,
- good quality management
- competent staff and the effective use of expertise.

Sections 5-7 take a closer look at the content of critical success factors and the strategic measures that are aimed at ensuring them.

5 Proper focusing and timing of audit activities

The National Audit Office has limited resources at its disposal. It must therefore focus resources correctly. In order to do this it must have a comprehensive management and planning system that

- identifies key changes in the operating environment and expectations with regard to the National Audit Office and reacts to them
- defines strategic criteria for focusing activities, audit areas and audit perspectives
- schedules and focuses audits effectively.

In order to ensure the proper focusing of audit activities:

- general criteria are approved for focusing audit activities (5.1)
- permanent annual audit areas are defined (5.2) and
- theme areas for the entire strategy period and annual themes for reporting to Parliament are defined (5.3).

5.1 General criteria for focusing audit activities

The following general criteria are used in focusing audit activities and in defining permanent audit areas and annual themes for reporting to Parliament:

- The economic significance of the matter and the associated risk for the state economy. In evaluating economic significance and risk, attention is also paid to the medium and longer term.
- The production of useful information that
 - has considerable significance for decision-making concerning the financial management of the state or
 - ensures the correctness and quality of the financial management of the state, the provision of true and fair information and compliance with the budget or
 - promotes the effectiveness of the financial management of the state and activities when the production of information falls within the scope of external audit.

5.2 Permanent audit areas

Permanent audit areas are those in which audits are conducted annually. The perspective and scope of audits is revised in the annual plan.

Permanent audit areas are:

A) The final central government accounts and the Report on the Final Central Government Accounts

The National Audit Office audits the final central government accounts and the Report on the Final Central Government Accounts annually and submits a separate report to Parliament on this audit.

In connection with the audit, the National Audit Office monitors the information base of the financial management of the state and fiscal-policy decision-making as well as the functioning and impacts of fiscal-policy instruments (such as the central government spending limits procedure). The National Audit Office selects a particular focus according to its annual operational plan.

B) Compliance with the budget and government agencies' final accounts and financial management

This area mainly includes financial audits and legality audits and to some extent performance audits. The National Audit Office issues financial audit reports on all the government agencies that are required to prepare an annual report and financial statements under the State Budget Act (423/1988) and the State Budget Decree (1243/1992). It can also issue financial audit reports concerning government agencies for which a ministry has approved performance targets and which are essential, uniformly managed wholes from the viewpoint of accountability for financial management and operational performance, even if they are administratively part of a broader accounting unit as referred to in the State Budget Act.

C) Performance in the financial management of the state

This area is mainly covered by performance audits. Performance audits will be focused according to the theme areas in the strategy so as to cover different administrative sectors and cross-sectoral operational and steering systems adequately in view of their economic significance and risks during the strategy period.

D) Off-budget funds

The National Audit Office audits state funds that fall within its scope annually. It also conducts at least one performance or legality audit focusing on state funds, unincorporated state enterprises or state-controlled companies each year.

E) European Union funds and their management

The National Audit Office applies the same criteria in the audit of EU funds for which Finland is responsible or which are managed in Finland as it applies to national funds. Control measures, audits and key audit observations are summarised in a separate section of the National Audit Office's annual report to Parliament on its activities.

5.3 The National Audit Office's strategic theme areas in audit and expert activities

Performance audits will focus on the National Audit Office's strategic theme areas and the audit themes derived from them. In focusing financial audits and legality audits, attention will also be paid to theme areas and themes.

The content of the National Audit Office's reports to Parliament will mainly be structured according to theme areas. Reporting on audit themes will take place in the National Audit Office's annual report to Parliament on its activities or in separate reports submitted to Parliament.

Theme areas are:

A) Productivity, economy, effectiveness and delivery

In this theme area the National Audit Office will evaluate first of all whether, in preparing social policy and related measures and administrative steering, objectives and the impacts of measures have been evaluated on the basis of true and fair information (information base for decision-making). Audits will also examine the management and steering of productivity, economy, effectiveness and delivery and their preconditions. In addition the National Audit Office will evaluate whether true and fair in-

formation has been reported on productivity, economy, effectiveness and delivery.

Performance audits in this theme area will especially evaluate the final outcomes of activities.

Main questions in this theme area are:

- Have productivity, economy, effectiveness and delivery been improved in the audited activity? (more or better)
- Have costs been cut or have activities been increased without a rise in costs, i.e. has economy been improved? (lower costs)

In the theme area the National Audit Office will report on the theme of the National Productivity Programme and multi-channel financing for health care. On the basis of the financial audits conducted by the National Audit Office, the National Audit Office's annual report to Parliament on its activities will evaluate in a separate section the setting of objectives and management with regard to productivity and economy, the provision of true and fair information concerning productivity and economy, and the provision of fair and comprehensive information concerning delivery. Reports and separate reports submitted by the National Audit Office to Parliament will also evaluate whether true and fair information has been provided to Parliament on effectiveness and its development.

B) Fiscal policy based on reliable information and tax and payment policy as part of it

In this theme area the National Audit Office will evaluate the functioning of fiscal-policy instruments and the adequacy of the information base that has been used.

Parts and main questions in this theme area are:

- The functioning of fiscal-policy instruments. Do fiscal-policy steering and management instruments, particularly central government spending limits and the budget procedure, function properly?
- The adequacy of the fiscal-policy information base. Has the information base used in fiscal-policy decision-making been adequate? Has reporting on the implementation of fiscal policy and results been adequate?
- Performance in the area of tax policy. How successful has tax policy been from the viewpoint of fiscal policy and from the viewpoint of the steering of substantial activities?
- The effectiveness of payment policy. Have the objectives of the state's payment policy been achieved?

Reporting in this theme area will mainly take place annually in the National Audit Office's separate report to Parliament on the audit of the final central government accounts and the Report on the Final Central Government Accounts. Themes will include the functioning of the central government spending limits procedure and the effectiveness of tax policy.

C) Effective and competitive infrastructure and expertise and innovation systems

In this theme area the National Audit Office will evaluate investments in infrastructure and expertise particularly outside the state group concerning society as a whole.

Main questions in this theme area are:

- Has the development of infrastructure been efficient and effective?
- Is the education system efficient?
- Is the innovation system competitive internationally?

Reporting themes in this area will include transport infrastructure management, the effectiveness of the structure of local government and services, and human resources and innovations.

D) Quality legislation as part of financial decision-making

In this theme area the National Audit Office will evaluate the functioning of legislation as a steering instrument and means of achieving objectives. Evaluation will take place from a financial perspective, looking at the efficiency of the preparation of legislation while keeping in mind other needs. The quality of existing legislation will also be evaluated from the viewpoint of economy. Legislation will be evaluated as a steering instrument in relation to other instruments.

Parts and main questions in this theme area are:

- The management of the preparation of legislation. Has the preparation of legislation by the Government been well managed and successful? Have ministries developed the preparation of legislation according as outlined by the Government?
- The quality of legislation. Have the impacts of legislation, particularly financial impacts, been evaluated adequately in legislation? Does legislation meet high standards and requirements otherwise?
- The functioning of legislative steering. Has legislation been able to steer activities in the desired direction? Has legislative steering been justified as a steering instrument?

E) The management of environmental risks and environmental change from an economic viewpoint

In this theme area the National Audit Office will evaluate the economic effectiveness of preparation and adaptation for environmental risks and the prevention of risks.

Main questions in this theme area are:

- Have measures been taken to prepare for environmental risks?
- Has preparation been efficient?

Reporting themes in this area will include energy and climate strategy.

F) Good management of state activities and state assets

In this theme area the National Audit Office will evaluate the effectiveness of government internal activities from an economic viewpoint.

Parts and main questions in this theme area are:

- Steering and management systems for state activities. Do steering and management systems at the Government level function properly? Do steering and management systems for administrative sectors function properly? Do steering and management systems for particular activities function properly?
- Steering and management systems for state assets. Do steering and management systems at the Government level function properly? Do steering and management systems for administrative sectors or asset items function properly? Has the management of assets been effective? Is the information that has been produced on performance or state assets true and fair in relation to Parliament's information needs?

Reporting themes in this area will include policy programmes as a steering and coordination instrument and the management of employment. The National Audit Office will report on the functioning of the steering system in at least one administrative sector each year.

G) An efficient and effective European Union and taking advantage of the possibilities it offers at the national level

In this theme area the National Audit Office will evaluate the effectiveness of the European Union's activities from an economic and national viewpoint.

Parts and main questions in this theme area are:

- Finland's EU policy. Has the Government achieved the objectives that have been set for EU policy?
- The management of EU affairs. Do the management, coordination and steering of EU affairs function properly?
- Taking advantage of EU resources. Has the state received or obtained from the EU all the benefits and resources that would have been possible? Has the use of EU resources been effective?

Reporting themes in this area will include the effectiveness of EU aid systems and the efficiency of aid administration as well as the effectiveness of EU agricultural aids.

6 Good quality management

A good quality management system means the principles and measures that are used to ensure that the National Audit Office's activities meet requirements. Good quality management depends on the following:

- Quality management is based on the National Audit Office's goals, objectives, vision, values and operating principles.
- The National Audit Office's position as Finland's supreme audit institution and the requirement level and responsibility for quality this implies are recognised and taken seriously at all levels of the organisation.
- The National Audit Office has issued audit guidelines and defined quality objectives and procedures for ensuring quality in a clear and understandable way, and staff are aware of and comply with these.
- The quality management system covers the entire audit process from planning at the office level to reporting in audit reports and the National Audit Office's annual report to Parliament on its activities.
- Ensuring and improving quality is a constant part of the entire organisation's normal activities and also requires cooperation among different units.
- The quality of activities is regularly evaluated in-house and externally.

The goal of quality management is to ensure the reliability and objectivity of the information and reporting supplied by the National Audit Office in the best possible way. The goal of quality management is to inspire confidence and respect in the National Audit Office's audit activities and staff's expertise and make sure that it complies with good European external audit practice.

To achieve good quality management

- quality management will be made an integral part of the National Audit Office's activities and management
- the quality management system will be incorporated into the audit process (6.1)
- supporting processes will be specified (6.2)
- staff will be given training to help them ensure and develop quality in their own activities and to ensure their commitment to the quality required of a high-standard external auditor
- the internal quality monitoring and feedback system will be developed (6.3) and
- the quality management system will be evaluated externally (6.4).

6.1 Quality policy

The fundamental principles of the National Audit Office's quality policy are:

- Owing to the National Audit Office's special position as Finland's supreme audit institution as prescribed in the Constitution, the quality of activities is very important.
- A key principle of the National Audit Office's quality policy is constant development and the transparency of activities. The National Audit Office is a learning organisation that has the ability to create, obtain and transfer information and change its own behaviour in the light of new information and new concepts.
- Quality management has been integrated in the National Audit Office's activities and management.
- Audit activities comply with the International Standards of Supreme Audit Institutions that have been approved by the International Organisation of Supreme Audit Institutions.
- Each person is responsible for maintaining expertise and for complying with agreed ethical standards and thus ensuring quality.
- The National Audit Office's management (Auditor General, management group, head of audit group) monitors quality and the functioning of the quality management system according to the division of labour approved in the working order.

6.2 The quality management system as part of the audit process

The quality management system is part of the audit process. To ensure the quality management system audit units will keep their audit guidelines up to date and make the necessary development proposals. The National Audit Office will make sure that its guidelines take into consideration the ethical guidelines and audit standards approved by the International Organisation of Supreme Audit Institutions, the ISSAI standards, and that guidelines form a consistent and clear whole within the ISSAI framework.

6.3 Specifying supporting processes

The National Audit Office's supporting processes will be specified and their proper functioning will be ensured.

6.4 Getting all staff involved and developing the internal quality assurance and feedback system

Through information, training and processes the National Audit Office will get all staff involved in evaluating and developing the quality of their own work and ensure that internal quality assurance is adequate and that all feedback concerning quality is handled.

6.5 External evaluation of the quality management system

In order to ensure the quality of all activities, during the strategy period the National Audit Office will commission an external evaluation of its quality management system. This will be done by another SAI or some other foreign expert body.

7 An expert, productive and healthy work community

The National Audit Office's vision is to be an internationally and nationally respected expert in its field and to be a motivating work community and a competitive employer.

This requires a systematic strategy for managing and developing human resources, which includes the following parts:

- a good staff policy that ensures the necessary resources, able and motivated staff and effective activities
- the systematic development and ensuring of expertise
- constantly promoting the sharing of information and cooperation among different units and individuals employed by the National Audit Office.

The objective is for the National Audit Office as Finland's supreme audit institution as prescribed in the Constitution and as the authority responsible for monitoring the legality of election and party financing enjoys the same respect as the supreme guardians of the law². This respect is based on the National Audit Office's high expertise and effective, ethical and responsible procedures that efficiently utilise this expertise.

High expertise and its efficient utilisation by the National Audit Office together with the well-being of staff ensure the objectivity of audit and control activities and other expert activities and are an important precondition when it comes to meeting the high quality requirements placed on the supreme audit institution.

The National Audit Office's staff policy and system for developing expertise support:

- the recruitment of skilled and expert staff and the permanence and occupational health of staff
- the development of the skills and expertise needed by staff in their work
- the formation of clear expert profiles and a clear professional identity
- problem solving involving cooperation among experts representing different perspectives and fields so that the complex whole formed by

² *The supreme guardians of the law under the Constitution are the Parliamentary Ombudsman and the Chancellor of Justice.*

the state economy and public activities and administration can be structured and managed without placing unreasonable demands on individuals or making them feel inadequate

- receiving the necessary support from colleagues and supervisors so that individuals do not feel that they have been left alone in tasks and problem solving
- the possibility to experience the feeling of success from work and its results.

The objective is for the National Audit Office to be an effective and good work community.

7.1 Areas of staff policy

The guiding idea in the National Audit Office's staff policy is consistent and systematic work to achieve the National Audit Office's goals and the staff vision and staff policy objectives outlined above. Staff policy is systematic and long-term.

The National Audit Office's staff policy is based on the following areas:

1. the ethics of the National Audit Office and its staff
2. a motivating and fair pay system
3. a motivating management, expert and professional career path
4. an expertise management and development system whose areas of expertise support the achievement of the National Audit Office's basic task and strategy
5. a clear and efficient management system
6. good workflow management
7. a good work community
8. occupational health and
9. professional identity and professional pride.

7.2 The ethics of the National Audit Office and its staff

The National Audit Office's activities are based on the good governance values and civil service morale and ethical principles based on the Constitution of Finland and the Nordic tradition behind it, ethical principles concerning an external auditor's activities and work based on INTOSAI's IS-

SAI standards and the National Audit Office's values and operating principles set out in section 2, and these are visible in the National Audit Office's internal and external activities.

In its staff policy and management the National Audit Office will consistently strive to implement these good governance values and ethical principles. The National Audit Office's entire staff are committed to them in their individual activities and as a work community.

In audit and control activities and related expert activities, ethical principles are written into guidelines for audit and expert activities, which the National Audit Office approves according to the Act on the National Audit Office.

The National Audit Office strives to put ethical principles and procedures in different situations into visible written form (code of conduct-type guidelines and models).

7.3 A motivating and fair pay system

The National Audit Office as an employer will strive to maintain and develop a motivating and fair pay system. The foundation for the fairness of the pay system is that pay is based on the demands of the task in a way that has been equitably applied for all employees and on individual performance, and that the criteria used in evaluating performance are predictable and open. Motivation means that the pay system includes the annual objective evaluation of performance, expertise and professional skill and work and that pay includes a personal element that depends on performance. Motivation particularly means that pay encourages staff to develop and proceed in career and management paths.

The National Audit Office's pay system is part of the pay system for parliamentary officials according to the Act on Parliamentary Officials and collective agreements concluded according to it. The National Audit Office will assist in developing the parliamentary pay system as outlined above. The National Audit Office will implement fairness and motivation in accordance with and within the framework of the Act on Parliamentary Officials and Parliament's collective agreements.

7.4 A motivating management, expert and professional career path

The National Audit Office will create clear career path models for management tasks, expert tasks and professional tasks. In its staff policy and management the National Audit Office will consistently maintain and develop the expert path model. The model and career path thinking together with the specification of job descriptions and expertise requirements, corresponding titles and systematic evaluation and feedback will support development in the management, expert or professional career path. The career path system will also allow staff to move from one path to another according to personal preferences and development.

7.5 Expertise management and development system

The National Audit Office will apply areas of expertise based on skills derived from the National Audit Office's basic task and the activities and problem solving required for this task. The specification of areas of expertise, and the recognised expertise in the use of the National Audit Office and needs for expertise specified with the help of areas of expertise, will be the starting point for managing and developing expertise. Areas of expertise will also serve as a framework for training staff and developing the expertise of individual staff and the work community as a whole.

An essential import part of the National Audit Office's management and staff policy will be the systematic management of expertise and its development.

Recruiting

The National Audit Office's recruiting is part of the expertise management and development system. Recruiting will be based on expertise. The starting point in recruiting will be the need to increase, renew or expand expertise recognised in managing and developing expertise. Recruiting will be based on the long-term planning of staff resources. All recruiting will be done for the National Audit Office's common posts.

Recruiting will be managed and developed to ensure and create preconditions so that the National Audit Office will have the right kind of expertise. Recruiting will be done following harmonised procedures and operat-

ing models. For recruiting purposes an external expert will be used in conducting evaluations of aptitude.

Staff training

The objective is to ensure staff's expertise in key areas of expertise through staff training.

A key part of staff training is learning on the job. This means assigning challenging tasks that allow development possibilities, teamwork and work in pairs, arranging the support, advice and supervision of experts in different fields, and using audit group meetings and projects as a tool for learning and developing expertise.

Staff training will be based on a joint training plan according to the National Audit Office's strategy and areas of expertise and an annual training plan that will be constantly updated.

Staff training will take advantage of international cooperation among supreme audit institutions. The National Audit Office will strive to network with other actors such as universities and research institutes as well as state administration.

As part of staff training the National Audit Office will take care of the management training required to develop the management system.

7.6 A clear and efficient management system

The National Audit Office's working order and other regulations will provide for and practical activities will maintain a management system that ensures the effective performance of tasks and the development of the National Audit Office as a good work community. In the management system each director and level of management will have their own clear role. Management processes will also be described in guidelines. As part of the management system a leader profile has been defined for the National Audit Office.

7.7 Good workflow management

The National Audit Office's objective is to plan activities and assign work tasks so that work packages are challenging but allow the possibility to

experience the feeling of success from one's own and the work community's work and its results. Good planning and management and the realistic setting of objectives are important means in this respect.

Workflow management will strive to create possibilities so that individuals can concentrate on their own roles and tasks according to annual objectives. The basis of workflow management will be expertise and the support of the work community and management in problem solving.

7.8 A good work community

The National Audit Office's objective is a safe, open and fair work community. The National Audit Office's objective is also to be an organisation that strives to communicate information efficiently and assemble expertise.

The point of departure for the National Audit Office as a work community is that the tasks prescribed for the National Audit Office belong to the National Audit Office as a whole. The objective is that every person employed by the National Audit Office can experience that they are a part of this work community and receive its support in performing their own tasks. A good work community starts with giving and accepting responsibility for performing one's own tasks. A good work community is based on good communication and cooperation among supervisors, experts and professionals as well as behaviour and interaction that respects others according to good work morale and ethics.

The National Audit Office will monitor and evaluate the work climate and the state of the work community, and in daily work and management as well as development activities will take care of the preconditions for a good and motivating work community. It will also strive to see that the management system and the work community's other operating principles ensure fair and objective treatment in different situations.

7.9 Occupational health

Occupational health is based on workflow management, maintaining work capacity, and measures to maintain and support the development of work. Management will draw attention to occupational health and the creation of the preconditions and framework for good motivation. From the viewpoint of occupational health it is essential to utilise and develop flexible work-

ing hours and other means to help balance work and private life. The development of occupational health will be monitored by conducting an occupational health study every other year.

7.10 Professional identity and professional pride

The National Audit Office's professional identity is based on the clear presentation of the constitutional and social role of supreme external audit's forms of audit and professional operating practices according to the ISSAI standards and on the effectiveness of the National Audit Office's work and its expertise. The objective is for financial audit, other legality audit and performance audit to have a clear professional profile, for which the National Audit Office will also seek external recognition and respect through its basic work and communications as well as its activities and social interaction with different expert groups.

The National Audit Office's role, expertise and performance as well as the procedures applied by the National Audit Office will ensure that the members of all the National Audit Office's staff groups can justifiably take professional pride in belonging to the work community formed by the National Audit Office and in their own expertise.

Professional pride and a professional identity will be maintained through clear audit and operational guidelines, the specification of areas of expertise and good expertise as well as effective and high-standard work and management supporting these. From the viewpoint of developing a professional identity and professional pride it is important to keep the National Audit Office's basic task and constitutional and social role clear and bright in all activities.

The objective is for the National Audit Office's expertise development system and training and other activities developing professional skill to create preconditions for an expert profile according to the National Audit Office's vision (an internationally and nationally respected expert in its field, respected for its deep expertise concerning the financial management of the state and state administration.)

Striving for and achieving an expert profile according to the National Audit Office's vision will also provide the basis for staff to have a professional identity that is respected externally.

The National Audit Office's basic assumptions

Basic assumptions³ refer to matters regarding the National Audit Office's activities and its environment that the National Audit Office does not believe will change in the next 10-15 years and on which the strategic vision and planning of activities are based.

The need for the external audit of the financial management of the state will continue and the activities of the institution performing this task will be subject to different expectations in society. Consequently an independent National Audit Office will be needed.

- According to the principles approved by INTOSAI (Lima Declaration), objective and effective audits require a supreme audit institution that is independent of the audited entities and protected against outside influence and has a broad mandate. The independence of the supreme audit institution should be laid down in the Constitution.
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- The National Audit Office will maintain its position as an institution prescribed in the Constitution. The National Audit Office's activities will cover the legality and effectiveness of the financial management of the state and compliance with the budget.

Auditing requires the constant evaluation of the focusing of activities and the making of choices, since unlimited resources cannot be allocated to the National Audit Office.

There are actors in the audit field to which the National Audit Office's activities can be compared.

The National Audit Office must meet the requirements of good audit expertise and good knowledge of administration and the financial management of the state.

- The National Audit Office is an expert organisation whose preconditions for success are its staff's expertise and motivation.
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³ *Basic assumptions are presented in italics and their content is elaborated in the bulleted points.*

- Changes in the operating environment require the constant development of staff's professional skill.
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- The effectiveness of the National Audit Office's activities requires compliance with jointly agreed values in all the National Audit Office's activities.
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- The National Audit Office will compete for staff on the labour market.

In order to implement social effectiveness the National Audit Office must produce objective and useful information on the financial management of the state and compliance with the budget for state administration's supreme steering organs.



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