

THE STATE AUDIT OFFICE'S POSITIONS

The State Audit Office audited the setting of performance objectives for 2005 and reporting on these to Parliament in the Ministry of the Interior's administrative sector. Key audit materials were the state budget for 2005, the description of performance in the administrative sector in the Report on the Final Central Government Accounts and related regulations and guidelines. The audit evaluated the adequacy, correctness and regularity of the setting of objectives and performance reporting. On the basis of the audit the following conclusions are presented.

In the Ministry of the Interior's administrative sector funds appropriated by Parliament are not linked sufficiently to performance. Consequently, in the setting of objectives and performance reporting, accountability has not been adequately ensured. Reporting at the chapter level particularly on operational performance in matters regarding internal security, which are the most significant areas in the administrative sector in terms of funds, is fairly good.

In developing performance reporting attention should be paid to the observations made in the audit and the following recommendations.

Recommendation 1:

Both the presentation of performance objectives in the state budget and reporting should be made clearer. Objectives and reporting in the administrative sector as a whole should be presented according to the performance management approach, for example by policy fields. The Report on the Final Central Government Accounts and the state budget should have a similar structure. Performance management should also be taken into account in developing the organizational structure in the administrative sector.

Recommendation 2:

The setting of objectives should clearly indicate the hierarchical structure of objectives. Objective documents should try to specify the lower-level objectives that are linked to the achievement of the higher-level objective in the state budget. Reporting on lower-level objectives could form a systematic basis for performance reporting in the Report on the Final Central Government Accounts.

Recommendation 3:

Performance objectives should be improved so that the achievement of objectives can be reliably measured and evaluated. The use of time series describing development should be increased.

Recommendation 4:

According to new norms and guidelines, objectives covering all organizational levels in the administrative sector should be formulated for all factors of performance and social effectiveness.

Recommendation 5:

The time frame for reporting on higher-level objectives should be given thought. The annual reporting interval is too short for many effectiveness objectives. Interim objectives should be formulated for long-term objectives and visions.

Recommendation 6:

Evaluating the social effectiveness of activities in the administrative sector should be given a greater role in objective setting and reporting in the future.

Recommendation 7:

In describing performance, reporting should be clearly linked to objectives. The description of general administrative activities and the operating environment should be clearly separated from these.

Recommendation 8:

The value and comprehensiveness of key objectives regarding social effectiveness presented in the main division should be increased.

Recommendation 9:

The structure of the state budget should indicate the resources provided for key objectives regarding social effectiveness. This would be a natural structure in developing performance management and steering.

The State Audit Office emphasizes that the proper setting of objectives and reporting on performance are indispensable to meet Parliament's information needs, but they are also very necessary in performance management in the administrative sector.