
SUMMARY AND POSITIONS

Audit field

The National Land Survey is responsible for real estate formation and land reallocation, maintaining cadastral and geographic registers and promoting their use, taking care of public maps and promoting effective surveying and map production. The National Land Survey operates under the Ministry of Agriculture and Forestry according to the net budgeting principle. In 2004 the National Land Survey's expenses amounted to 94.3 million euros. The National Land Survey's activities are financed about half by income from customers with the remainder coming from the state budget. In 2005 the state budget contained 47.16 million euros for the National Land Survey's operating expenses (item 30.70.21) and a further 803,000 euros was appropriated in a supplementary budget. In 2004 operational expenses totalled 49.4 million euros. The bulk of this, 36.6 million euros, came from cadastral surveys. Operational income rose by 6% compared with the year before. The funds appropriated to support cadastral surveys in the 2004 state budget and a supplementary budget, totalling 4.5 million euros, were used in full. The 2005 state budget included 4 million euros earmarked for cadastral surveys. In its second supplementary budget the Government proposed an additional 590,000 euros for this purpose.

The present audit only concerns cadastral surveys conducted by the National Land Survey. The choice of the audit topic was not based on the significance of cadastral surveys for the state economy or a preconception concerning the economic risks involved in activities. The goal of the audit was to ensure the effectiveness of cadastral surveys, their proper implementation and the regularity of administrative procedures. The audit was conducted with the help of a structured audit model developed by the State Audit Office. The model is a performance audit tool that guides an audit so that it gives a comprehensive picture of effectiveness, the quality of the

operating process and the regularity of administrative procedures. Audit observations and the conclusions drawn from them have been included in the report regardless of whether improprieties have been observed.

The effectiveness of cadastral surveys was evaluated first of all with regard to the objective chain and the content of the performance agreement between the Ministry of Agriculture and Forestry and the National Land Survey. After this the achievement of objectives was evaluated. A third theme was the planning of financing.

With regard to the process, the mes included the planning and organization of cadastral surveys, the utilization of personnel resources, the actual implementation of cadastral surveys, documentation, monitoring, reporting, supervision and evaluation.

Three themes were linked to regularity: compliance with regulations, compliance with the state budget and transparency.

Audit materials included cadastral surveys as well as norms and documents concerning the National Land Survey's activities, such as relevant legislation, manuals, instructions and evaluations; state budgets, performance agreements between the Ministry of Agriculture and Forestry and the National Land Survey, and the ministry's and the National Land Survey's strategy documents, accounts, operational plans and reports. Materials were restricted to 2001-2005 but with regard to strategic questions the audit period was longer. To give a better overall picture, interviews were also conducted with representatives of the Ministry of Agriculture and Forestry and the National Land Survey.

Types of cadastral surveys that were evaluated in greater detail were parcelling (PETO process), public road surveys (ARTO process) and reallocation (TJ process).

The audit did not cover the National Land Survey's international activities, such as guidance provided to the Baltic states concerning cadastral surveys.

Audit observations and the State Audit Office's positions

From the viewpoint of the implementation process and the regularity of administrative procedures, cadastral surveys have been managed well. From the viewpoint of effectiveness, the production, de-

livery time, economy and profitability objectives set in performance agreements between the Ministry of Agriculture and Forestry and the National Land Survey have not been achieved. The objectives in the performance agreement should be developed by adding objectives concerning productivity, unintended effects and delivery time objectives for some surveys using the ARTO process.

Key audit observations and conclusions concerning effectiveness, the operating process and administrative procedure are presented below.

Effectiveness

The objective chain is a continuum from the legislative level to cadastral surveys. The Ministry of Agriculture and Forestry does not have a strategic plan concerning cadastral surveys, however.

The objectives in the performance agreement between the Ministry of Agriculture and Forestry and the National Land Survey correspond to what is in the state budget. The results for two of the objectives in the 2005 state budget (delivery time and unit cost for parcelling) are not in line with the figures in the budget, however. Most of the objectives set in the performance agreement are concrete and measurable. The National Land Survey has a real possibility to influence their achievement. The performance agreement is functional structurally.

The Ministry of Agriculture and Forestry monitors the achievement of the objectives set for the National Land Survey and provides feedback each year in June. The performance agreement procedure is regular but it would be more effective if the ministry provided feedback earlier.

The ministry has the competence to provide guidance. The ministry and the National Land Survey have good communication and also interact informally.

The content of the performance agreement between the Ministry of Agriculture and Forestry and the National Land Survey should be developed. The agreement no longer covers all cadastral surveys or gives a good overall picture of cadastral surveys. Delivery times for some surveys using the ARTO process should be an objective in the

performance agreement. A profitability objective for cadastral surveys should be included in the performance agreement. The indicator describing unintended effects should be developed. The performance agreement should also include an objective concerning customer satisfaction, particularly since customer satisfaction has been specified as one of the National Land Survey's basic values. The conformity objective for production processes should be made more measurable.

The audit indicated that the National Land Survey measures its own activities quite broadly. The information base for the new objectives presented above already exists to a large extent.

The National Land Survey's quantitative objectives for cadastral survey production were not achieved for all types of cadastral surveys during the period covered by the audit. The delivery time objectives presented in the performance agreement were not achieved in the case of parcelling and reallocation. In the case of parcelling, regional differences were evened out somewhat. Profitability and economy objectives were only achieved in 2004. The order book for cadastral surveys has been reduced, however, partly as a result of lower demand.

The achievement of the delivery time objective for reallocation has been documented poorly by the National Land Survey in materials concerning effectiveness. In its performance reporting the National Land Survey should present delivery times for reallocations included in the performance agreement. Delivery times should be specified separately for old- and new-form (customer-based) reallocation in reporting.

Estimating the demand for cadastral surveys, which influences the National Land Survey's income, has not been entirely successful. Demand has fluctuated annually and has been underestimated or overestimated in planning. Estimating income has also been complicated by the shift to a new pricing system in 2002. Income from cadastral surveys has been overestimated to some extent. In its strategic plan the National Land Survey has paid attention to developing pricing for cadastral surveys.

The demand for reallocation has risen and supplementary budgets earmarked additional funds to support activities in 2001, 2004 and 2005. Growth in demand has been influenced at least partly by the National Land Survey's activeness, which is based on the perform-

ance agreement between the Ministry of Agriculture and Forestry and the National Land Survey as well as the ministry's strategic policies.

Operating process

Cadastral surveys are defined in legislation. The National Land Survey's freedom of choice with regard to means and their use is limited. The line taken in the National Land Survey's operational and financial planning is in harmony with the performance agreement. The National Land Survey has also followed this line in planning personnel resources. It has assembled a manual on the cadastral surveys covered by the Real Estate Formation Act (554/1995) and is expanding this manual to include other surveys as well. Detailed flow charts for cadastral survey processes are prescribed in process documents. The planning of cadastral surveys is regular.

The organization of cadastral surveys is systematic. Core processes have been defined and documented. Their organization has been arranged on the basis of quality work and management. Responsibilities for activities are clear. Instructions have been issued concerning the organization of individual cadastral surveys. The operating systems adopted by the National Land Survey and the organization of implementation ensure continuity.

The development of the National Land Survey's personnel resources is systematic. Personnel is actively developed and employees' occupational health and wellbeing are monitored in a systematic and regular manner. There was no indication that the National Land Survey's personnel resources were dimensioned or allocated improperly.

Cadastral surveys were implemented according to norms. The National Land Survey has developed the implementation of real-otment related to conservation and transport channels and also cooperation with regional environmental centres as well as the Finnish Road Administration and the Finnish Rail Administration.

The National Land Survey has developed its documentation and archive system for cadastral surveys. This has improved efficiency

and public access to information. Documentation and archiving have been conducted in a regular manner.

Monitoring, reporting, supervision and evaluation regarding cadastral surveys have been arranged on the basis of quality and process work. The system allows the constant improvement of activities. Monitoring, reporting, supervision and evaluation have been arranged in a systematic and appropriate way.

Regularity of administrative procedures

Cadastral surveys have been conducted by the National Land Survey in accordance with regulations. Instructions concerning cadastral surveys have been issued within the existing legislative framework. The audit did not reveal any activities related to cadastral surveys that were not in compliance with regulations.

From the viewpoint of compliance with the state budget, the income received from cadastral surveys was somewhat lower than planned. This was due mainly to the shift to a new pricing system, the difficulty of estimating changes in the demand for reallocation surveys and the faulty estimation of the production volume. On the other hand expenses were lower than was anticipated in the budget. Income from cadastral surveys was estimated realistically and not overcautiously. Funds appropriated to support reallocation surveys were spent in full. The audit did not reveal shortcomings in compliance with the state budget.

Cadastral surveys were arranged in a transparent manner internally and externally. The National Land Survey monitors the development of its external image well and takes a customer-based approach in developing its activities.