

# Conclusions and recommendations of the National Audit Office

## Monitoring of the operating environment and foresight activities to support strategic decision-making

This audit assesses the national foresight system that supports strategic decision-making. In June 2022, the Organisation for Economic Co-operation and Development (OECD) recommended that the National Audit Office pay attention to the use of future orientation and foresight in the public administration.

The audit produced information on the economic and operational perspectives and systems that are the elements of operating environment and foresight information. In addition, it provided information on the development needs in the production, management and utilisation of foresight information. The audit aims to strengthen the systemic preconditions for foresight activities, the perspective of anticipatory governance and knowledge-based decision-making. The basic premise is that foresight information is an essential part of the knowledge base for strategic decision-making.

## Foresight activities in the central government are not yet consistent or systematic

The foresight activities in the central government are not yet consistent or systematic as regards their purpose, objectives, operating methods or outputs. The prerequisites for producing foresight information in public administration are still being developed in line with the national foresight model. The prerequisites for producing systematic foresight information include established processes and automated practices as well as systematic development of foresight capabilities.

Operating environment and foresight information should be processed in compliance with the Act on Information Management in Public Administration and the models and principles of information management, although it is future-oriented and thus differs in its nature from empirical data. This has not yet been achieved. The process for preparing the Government Report on the Future has supported the establishment of common foresight practices in the ministries and the development of capabilities.

Few accounting offices have their own foresight functions, and foresight resources are not monitored separately. Another problem is that foresight activities are perceived differently in different government agencies. However, it would be necessary to monitor foresight resources in order to verify that the agencies' foresight activities have been effective.

According to the views expressed during the audit, foresight has a valued role in government agencies, and investments in foresight are increasing. By examining

the allocation of resources, it would be possible to assess the role of different functions in an agency: the priorities of the agency are the activities to which it allocates more resources. The audit was unable to do this because the financial monitoring the accounting offices currently carry out by means of the KIEKU data system does not support the monitoring of foresight resources.

## The development of the foresight system should aim at an ecosystemic approach

According to the national foresight model, the foresight system should support comprehensive knowledge management, i.e. an ecosystemic approach. Foresight information would then be available to all actors, and it would be enriched by its use. The maturity level of anticipatory governance should also be assessed in relation to whether the overall knowledge process has been organised in a manner that also takes into account the needs of potential information users.

At present, the responsibilities for the production of information in the central government are not clear. Foresight information is still fragmented and siloed in many respects. Foresight information is produced abundantly, but it is not coordinated in a manner that would ensure the efficiency and comprehensiveness of its production.

Obstacles to knowledge sharing undermine the link between foresight information and decision-making. According to the audit, the obstacles include restrictions on the distribution of information and parallel projects promoted outside the planning system. Information resources that complement the coordination would improve the accessibility of foresight information.

The responsibility for coordinating foresight information and metadata on its location, format and identifiers can be assigned to a single actor even though the production of the information is decentralised. The Government Information Support and Publications Unit has indicated that it has capacity to strengthen its role in the management of sources of operating environment and foresight information. There seems to be a growing need for a shared support service for the Government's decision-making that would combine different information sources and maintain location data on relevant information.

## Demand-based foresight would deepen futures thinking

Foresight information is used to some extent in the preparation of strategic decision-making even though the development of foresight practices and processes is still underway. The fragmentation of foresight activities and information is an obstacle to large-scale utilisation of the information.

Demand-based foresight activities would promote developing and deepening futures thinking and related technologies in the central government. Those preparing policy measures and decision-makers play a key role in increasing

demand orientation. Strengthening their futures literacy will create a need and expectation for foresight information to complement the knowledge base of decision-making.

The demand for foresight information is limited by factors related to its quality, such as the lack of systematic information production and management. The quality of foresight information perceived by the users is also influenced by factors related to the maturation level of public-sector actors' futures literacy, such as the decision-makers' attitude to the uncertainties of foresight information, the methods of ensuring the timeliness of information and the amount of work required to compile the preparation material.

Regular foresight reports and foresight assignments related to the preparation of policy measures complement each other. Demand orientation strengthens the link between foresight and decision-making: foresight can be targeted at the issues that are of key importance to the decision-making, and the time frame for the production of information is foreseeable. Demand-based foresight activities also strengthen government agencies' own foresight capabilities. The fragmentation of the foresight system and the low demand for foresight information, in turn, fuel negative development: if foresight information is not used in decision-making, the demand for it will decrease, the capabilities will not develop and the quality of information will deteriorate.

## Foresight information can have an impact only if the decision-maker commits to a knowledge-based approach

The basic premise of knowledge-based decision-making is that the decision-maker is committed to making decisions based on the best possible information, that obstacles to the utilisation of information have been lowered and that essential information is easily accessible. The inclusion of foresight information in the knowledge base of decision-making therefore requires compiling multi-faceted information and knowledge and exploiting the potential of digital data processing. It is also important that the person responsible for preparing the decision-making is familiar with different approaches to knowledge use and can plan the knowledge use according to the situation.

The Government is committed to knowledge-based decision-making and to promoting foresight activities supporting it. However, certain audit findings related to the operating culture and capabilities show that foresight information is sometimes overlooked in the decision-making process.

The perceived quality of foresight information has a major impact on whether the information is convincing to the decision-maker and whether it is relevant to the decision-making. Foresight information can only have an impact if its production and management practices are established. In this respect, the development of the prerequisites for knowledge-based strategic decision-making is still underway. An ecosystemic foresight system would also provide the best possible support for linking foresight information with strategic decision-making.

## Recommendations of the National Audit Office

The National Audit Office recommends that

1. under the leadership of the Prime Minister's Office, the ministries should agree on what foresight refers to in the Government and how the accounting offices produce comparable monitoring data on the costs and person years allocated to foresight activities.
2. the Government should establish common methods of producing and utilising foresight information in all ministries. To this end, the ministries should implement joint pilot projects related to foresight to support the preparation of policy measures.
3. the responsibility for the coordination and management of the sources of foresight information should be assigned to one actor. For example, the role of the Government Information Support and Publications Unit as the Government's shared support service could be strengthened by entrusting it with the maintenance of the sources of future information and their location data.
4. the ministries should create a demand for foresight information in connection with decision-making by steering decision-makers and those responsible for the preparation to supplement the knowledge base of policy measures with foresight information. This increase in demand-orientation would deepen futures thinking and foresight competence in government agencies, which would also strengthen the capacity to respond to sudden changes in the operating environment.