

The steering system in the administrative sector of the Ministry of Justice

The audit concerned the performance-based steering system for the funds presented in main division 25 of the budget for the administrative sector of the Ministry of Justice. The main question in the audit was whether the steering system in the administrative sector is functional, so that proper performance can be achieved. The audit focused particularly on the setting of objectives and performance reporting in the administrative sector for fiscal year 2008. In addition the audit examined the administrative sector's organisation, planning system, performance and management's accounting and other monitoring, evaluation activities and internal control procedures. The audit also strove to produce information on whether the steering system in the administrative sector of the Ministry of Justice functions in a way that enables the production of true and fair information for decision-making inside the administrative sector and by Parliament.

On the basis of the audit, the steering system in the administrative sector of the Ministry of Justice has not been able to link the funds appropriated by Parliament to the administrative sector sufficiently well and transparently to operational performance. Consequently the setting of objectives and performance reporting produced by the steering system in the administrative sector does not ensure accountability in a proper manner.

The steering system in the administrative sector nevertheless has well-implemented parts and good practices in line with the principles of performance management and shows positive development. Planning documents and the arrangement of activities in the administrative sector clearly reflect the common goal of steering activities through performance objectives. The administrative sector comprehensively uses effectiveness and operational performance objectives according to the performance model. The presentation of descriptions of performance, in which information on objectives and their

implementation is presented systematically together and closely linked to each other, is very good. As a rule actors in the administrative sector also do a good job reporting on those objectives that have been set for the period in question in the relevant documents. The performance agreements with different actors in the administrative sector have been compiled into an annual planning document for the administrative sector. Planning and performance documents in the administrative sector are also easily available on the ministry's website.

There are few sets of objectives that bind different actors and their activities together in the administrative sector, although strategy work in the administrative sector has strived to form sets of objective binding different actors together. Particularly in the courts the lack of a central administrative unit has led to a large number of separate negotiating parties. This is the situation especially in the field of the general courts. In this case the performance manager does not have negotiating parties that are responsible for sets of objectives. Objectives and responsibility for performance are fragmented and actors in the administrative sector do not necessarily have an opportunity to develop and formulate objectives together. This is underlined in the formulation of joint objectives in different sectors of the administrative sector. On the other hand especially in the administrative courts and in the courts in general, according to the findings of previous performance audits conducted by the National Audit Office, it has been considered important for the courts' management to maintain contacts with the ministry that are as direct as possible.

The key focus in planning and the preparation of planning documents should be on administration's own internal activities. It is important for the administrative sector to be aware of different planning documents' significance and the content they require. The functioning of the planning process in the administrative sector as a whole would be promoted by the better linking of actors' roles and different documents' content regarding objectives to a scheduled flow chart.

To arrange credible and legitimate steering the administrative sector should consider the significance of courts' and individual judges' independence from the viewpoint of steering and management. Performance objectives cannot be properly pursued without

documented and jointly agreed policies and concepts regarding independence. Steering can naturally focus on courts' operating conditions and management frameworks. The content of steering should, however, ensure courts' independence and autonomy in exercising judicial power. Steering should pay special attention to ensuring the preconditions for courts' performance and good management.

The arrangement of accounting should be developed so that proper indicators can be developed and utilised. A special challenge is to link internal accounting with the active management of operational efficiency at the agency and unit level and in the administrative sector as a whole. Accounting and the production of other steering information should also be better able to promote the monitoring of the achievement of individual upper-level effectiveness objectives and verify the resources linked to them. Particularly in the courts and the prosecution service measures should be taken to achieve commensurable weighting coefficients for performances.

The objectives in the administrative sector should show the hierarchic structure of objectives expressed clearly in indicators. The social effectiveness objectives in the main division of the budget proposal should be clearly linked to the effectiveness objectives in the chapter explanations and appropriation proposals as well as agencies' most important objectives and appropriations. The functioning of performance objectives should be improved so that their degree of achievement and linkage to resources can be reliably measured and evaluated. The coherent examination of time series and figures describing development over a sufficiently long period should be increased. Productivity and economy should be included in coherent objectives and steering concerning the entire administrative sector. The budget proposal should make clear the resources allocated to each key social effectiveness objective. This is a natural starting point in developing performance management and particularly accounting. Shorter-term partial objectives should be formulated for long-term objectives and visions. A reporting timetable should be presented for long-term objectives.

The description of performance in the Report on the Final Central Government Accounts should include a reference or link to broader reporting on performance in the administrative sector. This reporting should include information on the achievement of all the objectives that are mentioned in the budget proposal. To ensure

accountability according to performance management principles and the transparency of administrative activities, the description of performance should be presented as a clear whole in future. Evaluations of the social effectiveness of activities in the administrative sector should be given a more significant role as part of reporting in future. The connection between agencies' performance objectives and broader social effectiveness objectives should be clearly visible in the Report on the Final Central Government Accounts. On the basis of the Report on the Final Central Government Accounts it should be possible to evaluate clearly the development of social effectiveness and the relation between agencies' operational performance and the funds that are appropriated to the administrative sector.