

PERFORMANCE REPORTING TO PARLIAMENT IN THE MINISTRY FOR FOREIGN AFFAIRS' ADMINISTRATIVE SECTOR

This audit sought to determine whether performance reporting to Parliament in the Ministry for Foreign Affairs' administrative sector for 2006 gives adequate information concerning performance and social effectiveness in the administrative sector. The audit mainly focused on the part of the report on the final central government accounts concerning the ministry's administrative sector. Other audit materials included the part of the 2006 state budget concerning the administrative sector, the administrative sector's programmes and strategies and the ministry's annual report for 2006.

The audit of the adequacy of performance information is linked to the desire to ensure proper reporting and accountability in different administrative sectors. In evaluating performance reporting to Parliament in the Ministry for Foreign Affairs' administrative sector, key questions were first of all whether reporting meets the requirements that have been set for it and secondly whether reporting adequately describes the achievement of the performance objectives in the state budget. The audit also evaluated how structured and clear a whole is formed by strategic policies and related reporting in the administrative sector.

The audit indicated that the part of the state budget concerning the administrative sector covers the objectives presented in the Government programme, the Government's strategy document and the Ministry for Foreign Affairs' general strategy fairly well. The state budget uses slightly differently worded performance objectives than the ministry's annual plan. In the hierarchy of objectives for the administrative sector, higher-level objectives are quite abstract and of a global nature. The broad strategic objectives do not outline activities only for the most essential matters. The vagueness of upper-level objectives is reflected in the sparseness of concrete perform-

ance targets in the budget. The budget presents few measurable objectives and indicators, which is not consistent with the performance management approach.

The information on the ministry's administrative sector in the report on the final central government accounts as a whole gives an adequate picture of the development of effectiveness and performance in the administrative sector. On the basis of the information in the state budget and the final central government accounts, there were shortcomings in describing the development of funds and the results that have been achieved, however. Indicators describing the development of performance are also scarce. The part of the report on the final central government accounts concerning the Ministry for Foreign Affairs deals almost entirely with the administrative sector's social effectiveness.

Despite its shortcomings the ministry's annual report is logically presented and well written. The division of the report according to strategic objectives and two special themes seems to have worked well. Detailed indicators concerning performance reporting and objective setting together with the breakdown of objectives have been assembled in a comprehensive way in the ministry's annual plan and annual report.

On the basis of the audit the National Audit Office has presented recommendations to the Ministry for Foreign Affairs to develop the setting of objectives and performance reporting in its administrative sector.