

PERFORMANCE REPORTING TO PARLIAMENT IN THE MINISTRY OF LABOUR'S ADMINISTRATIVE SECTOR

This audit sought to determine whether performance reporting to Parliament in the Ministry of Labour's administrative sector for 2005 gives adequate information concerning performance and social effectiveness in the administrative sector. The audit mainly focused on that part of the Report on the Final Central Government Accounts concerning the Ministry of Labour's administrative sector. Other audit materials included that part of the 2005 state budget concerning the administrative sector, the ministry's Labour Policy Strategy, the Government Employment Programme and the Government Programme.

In evaluating performance reporting in the Ministry of Labour's 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 strategic policies and related reporting in the administrative sector form.

The audit indicated that the information in the Report on the Final Central Government Accounts concerning performance in the Ministry of Labour's administrative sector provides an adequate picture of the development of effectiveness and performance in the administrative sector. Reporting in the administrative sector complies with regulations and guidelines. The presentation and structure of performance reporting are not sufficiently clear and comprehensible, however. The Ministry of Labour's performance reporting is organized according to strategic policies. An attempt has been made to structure the state budget on similar lines, but as a whole the state budget follows a chapter and item division, which operates on a different logic. Consequently all the points and related targets in the state budget do not fit in the strategic framework of reporting.

In the Ministry of Labour's administrative sector it is not simple to distinguish what in the development of the employment situation has been a result of the administrative sector's activities and what has been due to general development. Consequently the relation between resources and achieved results is difficult to evaluate reliably. Performance reporting for fiscal year 2005 shows the general direction of development, but the relation between the development of effectiveness and financing and operational performance is unclear in some respects.

With regard to conclusions it should be pointed out that the Ministry of Labour has studied the need to develop its Labour Policy Strategy and in March 2005 began preparing a new Labour Policy Strategy for 2007-2010-2013. The goal is to prepare a strategy that leads to results. This means improving interaction between those who prepare the strategy and those who implement it and formulating a strategy that makes genuine choices and is concrete.

On the basis of the audit the State Audit Office has presented recommendations to the Ministry of Labour to develop the setting of objectives and performance reporting in the administrative sector.