

APPLYING MANAGEMENT BY RESULTS AND MANAGING THE DISTRICT COURTS

The lower court reform that was carried out in 1993 established 70 district courts. Since then district courts have been abolished and merged according to the guidelines presented in a proposal for district court divisions that was issued by the Ministry of Justice on 15 December 2000 and was last updated in 2006. At the beginning of 2006 there were 59 district courts.

In 2004 the district courts performed 2,235 person-years of work. Out of the net budget appropriation for the judicial system in the 2006 state budget, approximately 124,700,000 euros will be spent on the district courts' operating expenses. In 2004 these amounted to 123,931,000 euros.

Management by results was introduced in the judicial system in 1992-1995. The Ministry of Justice is the central administrative authority for the judicial system and therefore conducts result negotiations with all the district courts yearly. Management by results signified a considerable change in the tasks of district courts' chief judges and their requirements.

The separation of judicial, legislative and executive powers that is prescribed in the Constitution causes problems in managing the judicial system and individual courts and in establishing and applying management by results that are not found in other state administration. The other branches of government may not interfere with the judicial system or endanger the courts' independent position with administrative decisions and arrangements. Independence also means that the courts and judicial personnel are independent in exercising judicial tasks. The general objective of this audit was to determine how management by results works in this environment.

The key focus was on the managing of the district courts. The audit examined how the district courts' administration and administrative tasks have been arranged and how the chief judges manage

and supervise activities and subordinates. For this purpose interviews were conducted in 23 district courts or 37% of all district courts with the chief judge and other judges as well as staff representatives.

Interview materials were studied to determine whether differences in management influence district courts' performance or economy and productivity as well as the time required to handle cases. The audit also strove to determine factors that hamper or facilitate district courts' management and the proper organizing of activities.

The Ministry of Justice and the district courts

Individual district courts did not call attention to special problems in relations between them and the Ministry of Justice in interviews. Certain development needs came out in the audit, however.

The district courts' economy and productivity figures, which are calculated on the basis of the weighted volume of work, have been used as a tool to describe and monitor the district courts' performance and to compare efficiency. Operating expenses per ruling have been used to measure economy and the number of rulings per person-year to measure productivity. These indicators cannot be considered adequate management tools particularly in view of development needs. A ratio analysis does not allow an analysis of economy and efficiency differences or their causes. The need for this information and its significance has increased in recent years because of limited resources and efforts to improve efficiency and to strengthen management by results.

The Ministry of Justice should begin actively planning and developing suitable measuring systems and indicators to evaluate the performance and efficiency of the district courts. In this the ministry should take full advantage of existing knowledge and methods. It is also important for court representative to be significantly involved in development and preparation work.

On the basis of the audit materials it is not possible to draw direct conclusions concerning what effect the size of a district court has on performance and the time required to handle cases. It would appear, however, that the minimum size of a district court should be

larger than envisaged in the proposal for district court divisions. This is supported by many functional factors as well as factors related to maintaining and deepening expertise.

The guidelines prepared in the Ministry of Justice's administrative sector to develop the judicial system and strengthen the lower courts require larger district courts than the present minimum target. Big differences between district courts in the number of cases as well as available resources and preconditions to take care of courts' basic task raise questions concerning inequality among citizens as district courts' clients as well as inequality among district court employees in performing tasks. Clarifying the district court field would also make it easier to perform the central administrative authority's tasks.

The Ministry of Justice has encouraged and supported district courts' quality work in court of appeal circuits. Quality work has not resulted in the general procedures and standards that the equal treatment of citizens requires. The central administrative authority has said that its possibilities to evaluate and compare quality projects are limited because of the judicial system's independence. For the same reason it cannot steer or direct quality work with binding instructions and regulations. The ministry's position in relation to the independent courts is problematic.

The Ministry of Justice should increase efforts to get the district courts' quality work to cover all the court of appeal circuits and to harmonize quality work in the whole country so that it meets certain minimum requirements at least. The ministry should also consider developing the content and significance of statutory monitoring by the courts of appeal in a way that supports the district courts and their management, possibly through legislation.

The management training that the Ministry of Justice arranged for chief judges in 2003 and 2004 was considered a success. This kind of support would have been needed since the early years of the lower court reform and the introduction of management by results, however. The Ministry of Justice should continue to take care of developing chief judges' management skills and capabilities in future.

The Ministry of Justice has decided to establish a service centre to provide supporting services for financial and personnel administration in its administrative sector. Consequently special attention

should be paid to the proper reallocation of work in the district courts so as to take advantage of the personnel savings and possibilities to restructure personnel that the reform offers in individual district courts or between district courts.

Although the district courts consider the Ministry of Justice's position and tasks problem-free on a practical level, the Ministry of Justice should study possibilities to arrange the central administration of the judicial system on the basis of a central administrative unit that is separate from the ministry and also possibilities to continue and develop the judicial system on the basis of present central administration.

Managing the district courts

On the basis of the audit materials it is not possible to draw general conclusions concerning the effects of how district courts are managed and administered on district courts' performance and the time required to handle cases. District courts that appeared to be managed well did not necessarily score high marks for performance and the time required to handle cases, and the opposite was also true. The audit nevertheless revealed certain features of a well-managed district court. The personal characteristics of the chief judge also play a significant part in the light of the audit materials.

A model for a successful district court cannot be derived from the audit materials. This is mainly because district courts' operating environments and preconditions are very different. Small district courts' operating environment and challenges cannot be compared with the situation for large or even medium-sized district courts. This difference cannot help be reflected in the equal treatment of citizens around the country when citizens deal with the judicial system.

The audit revealed certain practical means that facilitate management and were also considered to promote district courts' performance and the achievement of targets concerning the time required to handle cases.

The audit observed the need to increase incentives in order to get personnel and particularly judges to commit to the management system and the district courts as a whole. Decentralizing supervi-

sory tasks is one of the most important ways to increase district courts' efficiency, but its broader use generally requires larger units than at present. It is also necessary to find other ways to change district court judges' attitude so that they view themselves more as members of a court rather than as individual judges.