

Abstract

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THE EMPLOYMENT AND ECONOMIC DEVELOPMENT CENTRES

Effectiveness of control and management systems

The State Audit Office of Finland conducted an audit regarding the effectiveness of control and management systems at the Employment and Economic Development Centres.

The audit evaluated cooperation among the responsible ministries in establishing and directing the Employment and Economic Development Centres, the centre director's position and related authority issues, centre management and cooperation between departments.

The Employment and Economic Development Centres were established as a result of the Regional Administration 2000 project, which was initiated in 1995. The fifteen Employment and Economic Development Centres went into operation on 1 September 1997. Since the beginning of 2000 they have operated as independent agencies.

The establishment of the Employment and Economic Development Centres has been a demanding and complex process which has required considerable work on the part of officials at the ministry level as well as centres, in addition to their normal work load. Systematic efforts have been made to achieve the objectives of the reform, and objectives have in fact been partly achieved. In many areas further progress has been made since the time of the audit (late 2000).

All the objectives of the reform have not been achieved, however. The Ministry of Trade and Industry, the Ministry of Agriculture and Forestry and the Ministry of Labour have not given sufficient attention to key questions of substance regarding the Employment and Economic Development Centres. Cooperation has focused mainly on administrative questions. The ministries have not engaged in systematic development cooperation to achieve the objectives of the reform.

The reform has been carried out under the direction of the Ministry of Trade and Industry, which serves as the joint administration authority for the Employment and Economic Development Centres. One problem is that the tasks of the joint administration authority have not been spelled out. This has led to problems in the division of labour between the ministries.

The ministries do not share a common view regarding the management and development of the Employment and Economic Development Centres. This is quite visible in the result management process, for example. Problems in the division of labour between the ministries are reflected in the direction of the Employment and Economic Development Centres as well as departments' activities and cooperation.

The technology units in the Employment and Economic Development Centres' business departments do not appear to have any more cooperation with other centres or their business departments than before the reform. Regional technology units operate under the direction of the National Technology Agency. They receive their resources from the Employment and Economic Development Centres, however. Operationally this is not the best possible organizational model. The technology units' management and resources should be coordinated more closely with other activities at the Employment and Economic Development Centres.

The reform has not produced the desired synergies for the rural and labour market departments either, nor has it had positive effects on their practical activities. Cooperation between departments is still quite limited, owing to differences in their operating cultures and clientele.

The position of the centre director has been clearly strengthened as a result of changes which came into force in autumn 2000. With regard to appointment and decision-making authority, the director has the possibility to lead the Employment and Economic Development Centre in the desired direction. The director's authority still does not extend fully to technology units or employment offices, however, although the director is ultimately responsible for the activities and effectiveness of the Employment and Economic Development Centre as a whole.

Data administration is an important internal function which the audit evaluated in detail on a case basis. The same problems were observed as in other areas of activity. Data administration has still not been coordinated. The level of data security at the Employment and Economic Development Centres varies considerably and is unsatisfactory in some respects. The introduction of new data systems during the current EU programme period has been delayed, significantly disturbing different departments' activities. The objective of shifting to joint data systems has not been achieved.