

Abstract

Dno: 33/54/01

## REPORTING ON THE EFFECTIVENESS OF ENVIRONMENTAL ADMINISTRATION

particularly with regard to nature protection and environmental protection tasks

This audit evaluated the presentation and structure of information on the effectiveness of environmental administration and the use of this information in direction and decision-making. The audit examined the setting of objectives, interim reporting and year-end reporting in connection with nature protection and environmental protection, or in other words all key stages of result management.

Regulations concerning effectiveness reporting are included in the Decree on the State Budget (1243/92). Agencies are responsible for reporting on the use of appropriations and the achievement of results in their annual reports.

The audit focused on the annual reports of the environment centres for Southwest Finland and North Karelia, the Ministry of the Environment and the environmental administration for 1999.

With regard to the setting of objectives in environmental administration, the audit observed difficulties in measuring the achievement of objectives, setting priorities and connecting objectives to appropriations. These difficulties were also reflected in reporting, which was largely based on objectives. The specific result objectives which were set for environment centres in result agreements on the basis of national and international goals no longer manifested the significance of the task. Interpreting priorities was left up to the directing unit to an excessive degree.

With regard to effectiveness reporting, the regional environment centres mainly directed reports to the Ministry of the Environment. Owing to this and to the condensed form of presentation, the information presented by the environment centres is hardly understandable to readers outside the field. The environment centres' reporting was deficient with regard to the connection between appropriations and results and the presentation of information on effectiveness. One problem in effectiveness reporting was evaluating the effects of activities when results were achieved through cooperation with other organizations.

The audit noted that annual reports did not provide information on how much money was spent to achieve different objectives. In general the connection between performance and costs remained unclear. There were also problems in

explaining why activities exceeded or fell short of objectives. A key problem was that the function and purpose of annual reports is obscure. Annual reports must be prepared for an audience which cannot be defined in advance. Consequently it is difficult to decide what information is significant and important enough to be included.

The audit noted that the environmental administration's annual report is readable and the use of graphs and tables complements the written presentation. A problem with regard to the annual report for the administrative sector is how to provide information on a specialized subject briefly and precisely.

In the opinion of the State Audit Office, the presentation of information concerning the achievement of results with appropriations can be improved by developing accounting and promoting the use of accounting information. The analysis of effectiveness should be developed so that it clearly provides the unit's view of the achievement of results and future development. This would eliminate room for interpretation and show the direction of development to decision-makers and the directing unit. In this way reporting would provide better opportunities to influence activities as necessary.

In the opinion of the State Audit Office, the purpose of annual reports and the relation between the annual reports for units and the administrative sector should be clarified. This matter should be connected particularly to the development of the administrative responsibility and penalty system. This is also supported by the observation that effectiveness reporting does not include a feedback mechanism and that procedures ensuring accountability and responsibility for appropriations have not been developed.