

Conclusions and recommendations of the National Audit Office

Financing activities of the Service Centre for Continuous Learning and Employment

The audit focused on the activities of the Service Centre for Continuous Learning and Employment (SECLE). Established to implement a reform of continuous learning, SECLE is a government grant authority operating as a separate unit of the Finnish National Agency for Education. In particular, it was tasked to provide financing to bridge the gaps in education and training leading to a qualification and respond to new competence needs of the labour market.

The audit produces information on SECLE's prerequisites for financing effective and impactful competence services and on the risks associated with this financing activity. The aim of the audit has been to ensure that financing allocated to continuous learning is managed in a coordinated manner.

SECLE has established its position and role in complementing the education system

SECLE was launched in autumn 2021. Over a short period of time, it has established itself as an authority that complements the education system. SECLE's external financing processes have been mainly at a good and at least at a satisfactory level. During the audit, SECLE also improved its processes further. SECLE's financing practices have been as agile as expected, and it has also developed and experimented with new ways and methods of promoting the identification of competence needs in working life.

To support its internal administrative processes, SECLE has launched a project aiming to verify the impact of its activities. The project is ambitious, but SECLE has the prerequisites for creating such a model for impact verification that can also serve as an example of how the impacts of public activities should be monitored.

Managing SECLE's financial risks would support the impacts of financing

The risks associated with SECLE's operational activities identified in the audit are related to the effectiveness of financing and the legality of the financing procedures. SECLE's launch was characterised by haste, and conflicting views of its role have exacerbated the risks of its financing activities. The budgeting schedules of appropriations have caused SECLE to launch its financing application processes rapidly. As the stakeholders' opinions have simultaneously been divided, the preconditions for effective allocation of financing have not been optimal. The expectations of agile financing allocation by SECLE have also led to

streamlining of the financing processes. In particular, additional controls are needed for front-loaded payment terms to ensure lawful allocation of grants.

At the strategic level, the audit paid attention to the preconditions for SECLE's effectiveness and the risks associated with it. The financing administered by SECLE has been focused on grants, as a result of which the financing has been mainly allocated to regulated training providers. Consequently, the possibilities of innovating new competence services have been limited. As the financing has mainly been allocated to actors in the regulated education sector and, to a significant extent, only a small group of applicants, it has not promoted the establishment of new operating models and capabilities in the best possible manner.

SECLE's independent position requires strong steering by the Council for Continuous Learning and Employment

SECLE's independent position, broad mandate and target groups are defined in legislation. SECLE's broadly defined basic task and independent position enable it to respond quickly to changing needs. The flip side is that SECLE's priorities can easily remain unclear. If SECLE is not steered by setting concrete goals, its activities come across as a crisis management method with only sporadic impacts.

The audit found that the authorities, public officials and stakeholders involved in steering SECLE have failed to reach a common view. The differences of opinion concern such issues as the ministries' roles in the steering as well as the positioning and content of the steering. As the different actors have been unable to reconcile their different views, all of their views have been taken into consideration in the steering. The result is that SECLE is actually not steered by any of the views. This has underlined SECLE's independent position and its role in the practical implementation of the steering, which could even be described as proactive.

SECLE has embraced the independent status provided for it by law. However, the absence of a shared view in SECLE's steering has left its activities exposed to guidance from outside the steering system. Under the law, SECLE's key steering structure is its Council, which has been granted powers to make operational and strategic-level decisions. The steering instruments laid down by law, including the implementation plan, development plans and other policy decisions concerning SECLE's activities, would enable operational management based on priorities. However, effective steering would require the Council to make more targeted choices when defining the priorities: what is included in the priorities and what is excluded from them.

Insufficient attention has been paid to the scalability of the competence services financed by SECLE

SECLE was established to impact the reform of the competence system and the increase in the level of education of the population. This is something SECLE can only achieve if research evidence and analyses as well as the outputs, experiences

and lessons learned from projects are tapped systematically to update the service system. The question is how the outputs of sporadic projects could be utilised more extensively to benefit the entire education system.

The benefits of SECLE's activities can be scaled if methods of operating are revamped and if educational products are utilised more widely. SECLE has addressed the use of educational products in its financing decisions by ensuring that the outputs can be used freely. However, it is necessary to make sure that the utilisation of education materials will not have adverse impacts on providers of market-based education services or competition in the sector. The educational organisations that have received grants have not yet found effective ways of ensuring that the operating methods are revamped and that new practices and capabilities actually become established.

The allocation of SECLE's financing to different actors in various regions promotes the scaling of impacts generated by project activities. So far, applicants for the discretionary government grants administered by SECLE have included few liberal adult education providers. However, these providers could play a particularly important role in developing outreach activities and helping competence services tailored for underrepresented groups to reach their target groups.

Competence services financed by SECLE were initially not targeted at underrepresented groups

The main target group of the competence services financed by SECLE is learners who are either employed or outside the labour force. Projects financed by SECLE have been targeted particularly at groups that are underrepresented in education and training, including those who only have completed basic education, older people and persons with an immigrant background.

During the audit, SECLE allocated little financing to competence services for underrepresented groups. In the early stages of SECLE's activities, the focus has been on urgent competence needs of the labour market instead of services targeted at underrepresented groups. Additionally, the financing terms have not enabled joint projects with networks or external partners to reach these learners. If an external partner is not a co-applicant, the possibilities of cooperation are inevitably limited.

Some of the competence services provided with SECLE's financing would also meet the needs of the unemployed. The participation of unemployed jobseekers in SECLE-financed training is not restricted by law. In its decisions concerning individual financing applications, SECLE has allocated project financing to its main target groups. This has caused uncertainty about whether unemployed jobseekers can also be admitted in training projects. From the perspective of SECLE's basic task, such unclear definitions create unnecessary friction in project implementation.

Recommendations of the National Audit Office

The National Audit Office recommends that

1. the Council of the Service Centre for Continuous Learning and Employment strengthen its operational and strategic decision-making powers in steering the definition of the contents of SECLE's focus areas, priorities and goals.
2. the Ministry of Education and Culture and the Ministry of Economic Affairs and Employment clarify SECLE's role and links to the competence system and employment services. The key issue in this is determining if SECLE is merely a piloting platform or if population-level impacts are also sought through it.
3. the Council of the Service Centre for Continuous Learning and Employment take the initiative in ensuring that the experiences gained and lessons learned by SECLE are systematically utilised in the different processes of competence and employment services.
4. when SECLE allocates financing to competence services, the financing processes be not streamlined in order to achieve agility in a way that could jeopardise appropriate internal control. The financing terms should also be defined within the limits of the law in such a manner that services of different levels are available for all the target groups that could benefit from them and that the best practices, methods and networks are available for reaching learners in different groups.