

Conclusions and recommendations of the National Audit Office

Targeting of government agencies' activities at their statutory duties

The audit focused on the targeting of government agencies' activities by examining the allocation of working hours in them. The audit examined whether an essential part of the agencies' working time is used for statutory tasks and how the working hours are divided between the agencies' core activities, steering activities and support activities. It was also examined whether the ministries had set such performance targets for the agencies that cover their statutory tasks and whether the agencies have reported comprehensively in their final accounts on the achievement of their performance targets. The audit covered all the 61 accounting offices falling within the scope of the audit right of the National Audit Office of Finland (NAOF).

An essential part of the working hours is allocated to statutory duties, but there are shortcomings in the utilisation of information

Based on the audit, there are shortcomings in the utilisation of information on the allocation of working hours. Some government agencies utilise the information on the allocation of working hours only in activities involving external funding, and some agencies do not utilise this information at all in practice. Information on the allocation of working hours should be utilised in the agency's management, development and reporting.

The definition of the statutory tasks of government agencies is hampered by the fact that the tasks of many agencies are defined in a number of different statutes. A few agencies stated that they are not able to define all of their statutory tasks due to the large number of separate statutes. Based on the audit, there are differences between different statutes in the definition of tasks, and some tasks are defined in the statutes in very general terms. When tasks are defined in general terms, the agency has better opportunities to decide on its tasks itself. The National Audit Office is of the opinion that the ministries should steer the targeting of government agencies' activities through legislation and performance management and thereby ensure that the agencies perform their statutory tasks.

In 2022, an average of 58% of the total number of person years was allocated to the agencies' statutory tasks. The percentage would be higher if the share of statutory tasks were compared with effective working hours, i.e. working hours excluding absences. Based on the audit, the normal allocation of working hours can be considered to be as follows: about 60% to core activities, about 20% to

support activities and about 20% to paid absences. In the central government as a whole, the distribution corresponds to the above. However, there are great differences in the distribution of working hours between administrative sectors and agencies.

The core activities of government agencies consist mainly of their statutory tasks. All accounting offices share the same basic framework of support activities. Some agencies and institutions, such as service centres, perform support activities according to the activity hierarchy applied in the model for monitoring activities, but in their case, the support activities are their statutory tasks. Thus, the division of activities into core and support activities does not necessarily reflect the statutory nature of the activities of agencies and institutions.

Default activities undermine the reliability of information on the allocation of working hours

Monitoring of the allocation of working hours in government agencies' is mainly reliable. However, the reliability of the information on the allocation of working time is undermined by the fact that many agencies use so-called default activities, to which working hours are entered if they are not specifically allocated. As a rule, the default activities are determined for employees based on how their working hours are assumed to be divided. Information on the allocation of working hours may thus partly describe the target rather than the actual allocation of working hours.

The reliability of the information on the allocation of working hours also depends on how the accuracy of the information is verified. In some agencies, the information on the allocation of working time is either approved or other control or verification measures are taken in relation to them, whereas in some agencies, the accuracy of the information is not verified or the information is not even monitored. In the audit, the information on the allocation of working hours was not considered reliable in the case of five agencies, and in the case of three agencies, the information was considered to be only partly reliable. One agency did not monitor the allocation of working hours at all.

The activity hierarchy should be more consistent

The central government's activity hierarchy forms a systematic basis for linking the activities of government agencies to a common activity hierarchy. The activity hierarchy has been formed in such a way that the agencies' core activities have been linked with the ministries' administrative sectors, which are defined in the Government's rules of procedure. The tasks defined in the Government's rules of procedure provide a general framework for consistent monitoring of agencies' activities. However, there are considerable differences in the ways the agencies define their core activities and link them to the activity hierarchy. The hierarchy should adequately serve not only the management of agencies and institutions but also external information needs.

Different views on the contents of performance agreements

There are different views in the central government on the contents of performance agreements and on the setting of performance targets for statutory tasks. The targets set in performance agreements are often not directly related to the statutory tasks. According to the audit findings, the inconsistency between the targets and the statutory tasks may be partly due to the fact that it has not been defined in statutes how or to what extent performance agreements should take into account the statutory tasks of government agencies.

However, the audit assessed that the performance agreements between agencies and ministries cover the agencies' statutory tasks well. The audit found that not all ministries had drawn up a multiannual operational and financial plan in accordance with the State Budget Decree.

There are differences in the ministries' statements on final accounts

The audit found that the agencies had provided comprehensive information in their final accounts on the achievement of their performance targets. The ministries have also reported comprehensively in their final accounts on the achievement of their performance targets. In accordance with the State Budget Decree, the ministries have issued statements on the final accounts of the accounting offices, but there are differences in the contents of the statements between the different administrative sectors. According to the audit findings, the differences stem from the practices of those who have drawn up the statements rather than from differences between the activities and performance of the accounting offices audited. The National Audit Office is of the opinion that the presentation of the statements on final accounts should be concise and opinion-focused and that the contents should comply with section 66i of the State Budget Decree.

Recommendations of the National Audit Office

1. The Ministry of Justice, the Ministry for Foreign Affairs, the Ministry of Finance and the Ministry of the Environment shall ensure that the working hours of the ministry and the agencies in its administrative sector are allocated in a reliable manner and that the accuracy of the information on the allocation is verified appropriately.
2. It is recommended that the Ministry of Justice together with the agencies in its administrative sector and the Ministry of Defence should agree on procedures for also obtaining information on the allocation of working hours from the employees who do not have a duty to monitor their working hours.
3. The Ministry of Transport and Communications, the Ministry of Agriculture and Forestry, the Ministry of Justice, the Ministry of Education and Culture, the Ministry of the Interior, the Ministry of Social Affairs and Health, the

Ministry of Economic Affairs and Employment, the Ministry of Finance and the Ministry of the Environment, together with the agencies in their administrative sectors, should ensure that the hierarchy of the core activities has been constructed in such a manner that it adequately serves both the management and external information needs.

4. It is recommended that the State Treasury should specify the guidelines related to the account scheme of activities in order for the scheme to be used more consistently.
5. The Ministry of Transport and Communications, the Ministry of Education and Culture, the Ministry of Finance and the Ministry of the Environment shall draw up a multi-annual operational and financial plan in accordance with the State Budget Decree.