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ANNUAL REPORT  
OF THE  
PARLIAMENTARY OFFICE



Annual Report of the Parliamentary Office 2004

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Photos: Parliament's photo archives/

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Printed by: Edita Prima Ltd

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## REVIEW BY THE SECRETARY GENERAL

The 2004 session of Parliament was the second session in the electoral period and as such was quite normal in terms of parliamentary business. Cooperation with the Government in planning parliamentary work went well. Advance lists of Government bills to Parliament were more reliable than in the past, and the Government did a better job in submitting bills on time. The opening debate in the 2004 session of Parliament concerned a statement by the Prime Minister on the Government's policies in 2004 and one of the key bills submitted to Parliament was a new concrete step in parliamentary interaction between the Government and Parliament. The opening debate is receiving an established content as part of other efforts made by Parliament and the Government in 2004 towards more systematic and long-term legislative policy and consequently better legislation.

Two national elections added colour to parliamentary work in 2004. Elections to the European Parliament were held on 13 June, and five MPs won seats in the European Parliament at this time. Local elections were held on 24 October, during the autumn term.

The reform of corporate and capital tax was a major legislative project in spring 2004. The final handling of this matter kept Parliament in session until after Midsummer, which is unusual. Income policy solutions had to be reached at the end of the autumn term, and this caused work to pile up in December to some extent.

Last year Parliament began preparing for the 100th anniversary of Finland's 1906 parliamen-

tary reform, which will be celebrated extensively in 2006 and 2007. The Chancellery Commission appointed a committee under the Speaker to decide on general lines for the centennial and to coordinate the arranging of events. The Chancellery Commission also appointed a working group to prepare matters for the attention of the committee and to make sure that its decisions are implemented. On the basis of the committee's proposal, in October 2004 the Chancellery Commission approved an operational plan for the centennial. The celebration will focus on the 1906 parliamentary reform, equal and universal suffrage, and full political rights for women. The national profile of festivities and events, the international dimension, the civic perspective, including young people and increasing voter turnout are significant goals. In planning the programme, attention will be given to Swedish as well as Finnish. The programme will also look ahead to see what the future holds in store. It is important for the nation to show special respect and gratitude to older generations and war veterans during the centennial. In planning and conducting the centennial the general theme will be to celebrate the series of events that took place a century ago, which have had such a wide and deep influence on our nation's development - "in a big way and internationally", to quote the Speaker.

The committees operated according to established practice during the second session of the electoral period, keeping busy and working efficiently. The Government submitted about 100 more bills than the year before and nearly

70 more than in the same stage of the previous electoral period. The committees prepared reports in response to most bills. The number of reports was 30 more than in the second session of the previous electoral period.

The committees' operating conditions improved when the Grand Committee and the Foreign Affairs Committee, together with personnel, moved to Parliament's new annex. During the autumn term a new meeting room was fitted out in the main building for the Environment Committee. Now each committee finally has a separate room in which to meet.

One milestone last year was the opening of the Visitor's Centre in the new annex during the autumn term. This street-level information point was enthusiastically received and was visited by 18,500 citizens during the autumn. The Visitor's Centre distributes information on Parliament and also on the European Union. To simplify matters and improve cooperation, the Europe Information office operated by the Ministry for Foreign Affairs moved into the same premises.

The Visitor's Centre became a meeting place for MPs and citizens. It hosted 50 occasions that were open to the public, with MPs, ministers and experts acting as moderators. The Visitor's Centre held open house on two Saturdays in the autumn, at which time over four thousand people came to get a better look.



At the start of the 2004 session, Parliament opened a news site on the Internet. Parliament's brochures were completely revised and a video concerning Parliament and its work, history and architecture was produced. Late in the year Parliament released a game called Legislators that allows school pupils to see what it is like to serve as a first-term MP. The Parlia-

ment Information Office is rapidly approaching the performance targets that have been set for different customer groups.

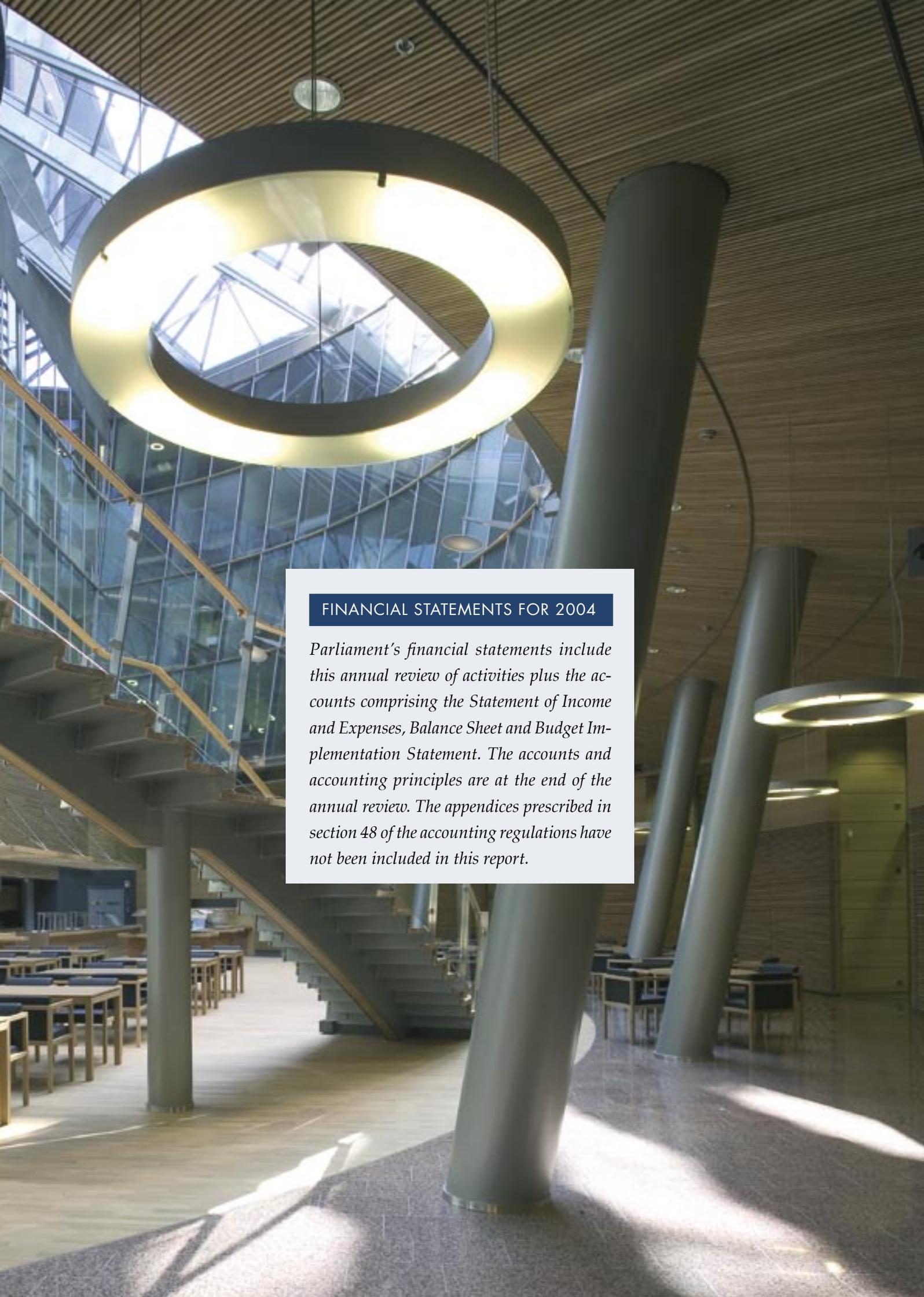
Parliament's international activities remained lively. Nearly a hundred foreign parliamentary delegations from around the world visited Finland. Cooperation with the People's Congress of China and legislative bodies in different provinces of China was particularly intense, with Parliament hosting 15 Chinese delegations that visited Finland in 2004. New content was given to transatlantic relations when Finland's Speaker headed a visit of the Speakers of the Nordic and Baltic countries to the United States Congress in early June. Finland's possibilities to influence activities in the IPU were improved significantly when Katri Komi, the chair of the Finnish Group to the Inter-Parliamentary Union, was elected to the Executive Committee of that organization by the Council that met in Mexico City last April. She is the first Finn to hold such a position since the days of Johannes Virolainen.

The most significant administrative matter in 2004 was the completion of Parliament's new annex and moving in, which took place in the summer. The new annex houses Parliament's international functions, the Office of the Parliamentary Ombudsman and the Visitor's Centre. It also has 200 offices for the parliamentary

groups, and 94 MPs moved to the new annex. For the first time MPs' assistants were given separate offices either in the new annex or in facilities that were vacated by MPs in the main building. The new annex was built on schedule and the project was completed for 6% less than the original cost estimate. Consequently Parliament was able to finance additional expenses that were beyond its control almost entirely with savings. The new annex cost € 42.3 million excluding VAT and according to feedback from users and citizens - many of whom have been thoroughly charmed by the building - was well worth the price.

On the basis of the recommendations of a working group on security, Parliament decided in late autumn 2004 to modernize its security system. This meant reorganizing the Parliamentary Office by establishing a department-level Security Unit directly under the Speaker and the Secretary General at the beginning of 2005. Security personnel who were previously employed by other units now work under the Security Unit, which is directed by the Head of Security, thus streamlining the management of security matters in Parliament.

*Seppo Tiitinen*

A photograph of a modern interior space, likely a parliament building. The scene is dominated by a large, glowing circular light fixture hanging from the ceiling. To the left, a wide staircase with a wooden handrail leads up. The background features a large glass facade with a complex structural grid. Several thick, grey cylindrical columns support the ceiling. The floor is a dark, polished material. The overall atmosphere is bright and architectural.

## FINANCIAL STATEMENTS FOR 2004

*Parliament's financial statements include this annual review of activities plus the accounts comprising the Statement of Income and Expenses, Balance Sheet and Budget Implementation Statement. The accounts and accounting principles are at the end of the annual review. The appendices prescribed in section 48 of the accounting regulations have not been included in this report.*

## CHANCELLERY COMMISSION

**T**he Chancellery Commission directs, supervises and develops Parliament's administration and financial management. With the exception of the Secretary General it appoints the staff of the Parliamentary Office and resolves significant matters regarding Parliament's administration and financial management.

The Chancellery Commission includes the Speaker and Deputy Speakers as well as four MPs who are elected at the beginning of the electoral period with deputies. The Chancellery Commission's composition in 2004 was as

follows: Speaker Paavo Lipponen, First Deputy Speaker Markku Koski, Second Deputy Speaker Ilkka Kanerva and MPs Matti Ahde, Jukka Vihriälä, Jyri Häkämies and Janina Andersson. Deputy members were MPs Anne Huotari, Jaana Ylä-Mononen, Per Löv and Kari Kärkkäinen.

The Chancellery Commission generally meets on alternate Thursdays during sessions. The Secretary General serves as presenter in the most important appointment matters and the Administrative Director in other matters. The head of the Administrative Office serves as secretary.



*The Chancellery Commission regularly meets every other week to decide on major administrative and financial matters. Its composition has remained unchanged since the formation of the Government in office. This photo taken on 31 March 2005 shows (from left to right) Chief Information Officer Marjo Timonen, MP Kari Kärkkäinen, First Deputy Speaker Markku Koski (seated), MP Janina Andersson, MP Matti Ahde, Speaker Paavo Lipponen (seated), MP Jukka Vihriälä, Secretary General Seppo Tiitinen, Second Deputy Speaker Ilkka Kanerva (seated), Personnel Director Marjaana Kinnunen and Administrative Director Kari T. Ahonen.*

## LEGISLATIVE WORK IN THE 2004 SESSION OF PARLIAMENT

### General

The 2004 session of Parliament was the second session in the electoral period and as such was quite normal in terms of the number of Government bills and sittings. Elections to the European Parliament on 13 June, local elections on 24 October and income policy solutions in the late autumn added colour to parliamentary work and affected the scheduling of parliamentary work to some extent.

With regard to practices and schedules, two noteworthy changes took place in 2004. The Grand Committee's meeting times were increased by starting earlier on Wednesdays and Fridays. In practice this meant that Friday plenary sessions had to be kept to no more than half an hour. This change approved by the Speaker's Council was based on a proposal by a commission that studied the revision of procedural rules concerning EU matters. The other change concerned Parliament's new annex, which went into operation at the beginning of the autumn term. A new practice was also established: once

debate on matters has been concluded, they can be put to a vote at the beginning of the next plenary session in quick order.

Cooperation with the Government in planning parliamentary work functioned well and timetables were followed without noteworthy surprises.

To ensure and improve the flow of information concerning work in plenary session, Friday meetings for the secretary generals of the parliamentary groups were made standard practice. At these meetings the Head of the Central Office talks about matters that will come up for discussion during the following week. The secretary generals pass on this information to their own parliamentary groups and offices. These meetings are also attended by the office heads under the Central Office and representatives of the Parliamentary Information Office and Information Services.

Last year development projects initiated by the Speaker's Council proceeded as they were intended to do. Further information on these projects is presented in the section "The Speaker's Council".

*Five MPs won seats in the European Parliament when elections were held in June 2004. Jouko Laxell, Oras Tynkkynen, Christina Gestrin, Terhi Peltokorpi and Tatja Karvonen stepped in as their deputies and are shown here with Speaker Paavo Lipponen on 22 July 2004.*





*The Speakers in their meeting room: First Deputy Speaker Markku Koski on the left, Speaker Paavo Lipponen in the middle and Second Deputy Speaker Ilkka Kanerva on the right.*

The fourth Young People's Parliament was arranged on 16 April 2004. The Young People's Parliament, which is held every other year, and related cooperation between Parliament and the upper stage of the comprehensive school have become firmly established forms of activity.

## Parliament's composition and activities

The 2004 session of Parliament was opened on 3 February 2004. The last plenary session was held on 22 December 2004.

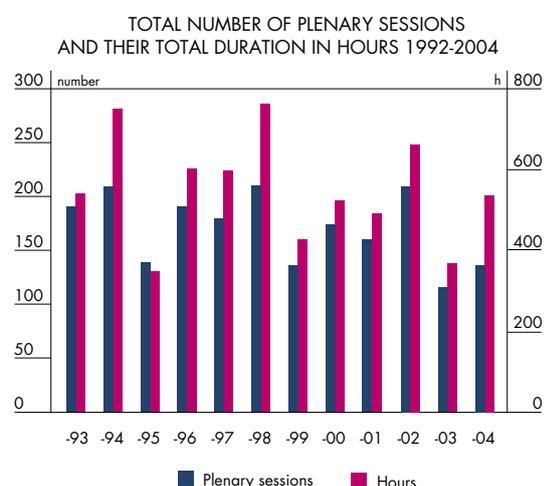
Parliament held 83 plenary sessions during the spring term from 2 February to 30 June and

62 plenary sessions during the autumn term from 7 September to 22 December 2004. Plenary sessions lasted a total of 536 hours, and session days totalled 137.

Paavo Lipponen served as Speaker of Parliament, Markku Koski as First Deputy Speaker and Ilkka Kanerva as Second Deputy Speaker.

Elections to the European Parliament took place on 13 June and five MPs resigned after they won seats in these elections: Satu Hassi/Green, Ville Itälä/National Coalition Party, Anneli Jäätteenmäki/Centre Party, Henrik Lax/Swedish People's Party and Hannu Takkula/ Centre Party were replaced as of 20 July 2004 by Oras Tynkkynen/Green, Jouko Laxell/National Coalition Party, Terhi Peltokorpi/ Centre Party, Christina Gestrin/Swedish People's Party and Tatja Karvonen/ Centre Party.

Marjo Matikainen-Kallström/National Coalition Party and Astrid Thors/Swedish People's Party finished their terms in the European Parliament and went back to work as MPs on 21 July 2004. At this Tapani Mäkinen, who stood in for Marjo Matikainen-Kallström, gave up his seat. Christina Gestrin/Swedish People's Party, who had stood in for Astrid Thors, retained her seat, this time standing in for Henrik Lax/Swedish People's Party.



## The Speaker's Council

The Speaker's Council, which directs and plans parliamentary work, includes the committee chairs as well as the Speaker and Deputy Speakers. The Speaker's Council meets before each plenary session to discuss the agenda for the day, approve proposals concerning the referral of matters to committees and the tabling of reports, and decide on the procedures to be followed in debates. The Speaker's Council also approves the plenary session plans that are the basis of parliamentary work.

The Speaker's Council met 137 times during the 2004 session. The composition of the Speaker's Council at the end of the session was as follows: Speaker Paavo Lipponen, Deputy

Speakers Markku Koski and Ilkka Kanerva and committee chairs Jari Vilén (Grand Committee), Kimmo Sasi (Constitutional Law Committee), Liisa Jaakonsaari (Foreign Affairs Committee), Olavi Ala-Nissilä (Finance Committee), Matti Väistö (Administration Committee), Tuija Brax (Legal Affairs Committee), Markku Laukkanen (Transport and Communications Committee), Sirkka-Liisa Anttila (Committee for Agriculture and Forestry), Kauko Juhantalo (Defence Committee), Kaarina Dromberg (Committee for Education and Culture), Valto Koski (Social Affairs and Health Committee), Jouko Skinnari (Economic Affairs Committee), Jyrki Katainen (Committee for the Future), Jukka Gustafsson (Committee of Labour and Equality) and Pentti Tiusanen (Environment Committee).



*The Speaker's Council directs legislative work and includes the committee chairs as well as the Speaker and Deputy Speakers. Shown here on 1 March 2005 (from left to right) are MPs Kauko Juhantalo, Matti Väistö and Jari Vilén, First Deputy Speaker Markku Koski, MPs Tuija Brax and Markku Laukkanen, Speaker Paavo Lipponen (seated), MP Sirkka-Liisa Anttila, Second Deputy Speaker Ilkka Kanerva, MPs Olavi Ala-Nissilä and Kimmo Sasi, Secretary General Seppo Tiitinen, Chief Information Officer Marjo Timonen, Director of Legislation Keijo Koivukangas, Deputy Secretary General Jarmo Vuorinen and Secretary Maija-Leena Paavola.*

## Matters handled by Parliament

### GOVERNMENT BILLS AND OTHER SUBMISSIONS

The Government submitted 282 bills and Parliament continued handling 41 bills held over from the previous year. All in all Parliament finished handling 260 bills, of which 259 were approved and one was rejected. Three bills were withdrawn by the Government.

Major legislative projects that were completed during the session involved the amendment of tax laws and reforms in pension legislation.

The reform of corporate and capital income taxation was a lengthy process and as a result the spring term lasted until after Midsummer, which is unusual. The corporate tax rate was reduced from 29% to 26% and the rate of tax on capital gains from 29% to 28%, and the imputation credit system for corporate tax was abolished. Half a year later, at the end of the autumn term, Parliament approved a bill that eased income taxation in connection with the national income policy agreement.

The Municipal Pension Act and the State Pension Act were amended so that the amount of pension depends on career earnings (rather than earnings in the final years of work). Employees are now free to retire between the ages of 63 and 68, as they see fit. Conditions concerning voluntary pension insurance were tightened. In future voluntary pension insurance premiums will only be tax deductible if the retirement age has been set at 62 or over. Previously the threshold was 60.

In connection with the National Health Programme Parliament approved amendments to the Primary Health Care Act and the Act on Specialized Medical Care. To ensure patients' access to health care, ceilings were set on waiting times for treatment.

Parliament also approved the establishment of a Children's Ombudsman, whose task is to develop social decision-making in matters that regard children and generally to look after children's interests.

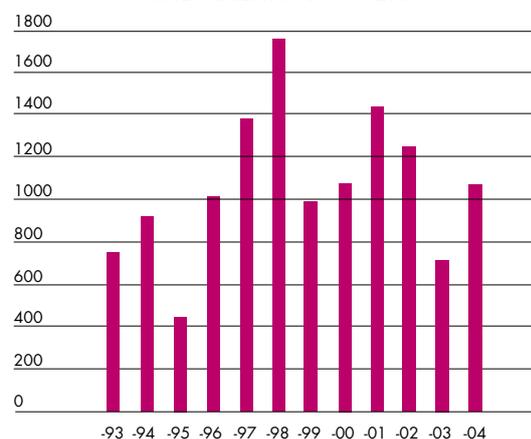
Other significant legislative projects included overall reforms of the Aliens Act and the Health Insurance Act. An Act that limits the mobility of workers from new members of the EU during a two-year transition period aroused considerable public debate. The establishment of Government posts for political secretaries of state also received extensive publicity.

Last year two new national parks were established in Lapland and three national parks in southern Finland were expanded.

GOVERNMENT BILLS 1993–2004



WRITTEN QUESTIONS 1993–2004



The Emissions Trading Act implemented the EU Emissions Trading Directive, the purpose of which is to reduce emissions of carbon dioxide.

The Act on the Protection of Privacy in Working Life that was approved by Parliament regulates the use of drug tests and employers' right to open e-mail.

The Act on the Senior Secondary School was amended to establish changes in matriculation examinations. Beginning in spring 2005 students must take at least four examinations to matriculate and the only compulsory examinations are language and literature.

The 2005 budget proposal was submitted on 14 September and the preliminary debate was conducted on 14-16 September. Two supplementary bills were presented along with the budget. The final debate was conducted on 16-22 December. The budget included 48 Government bills. A total of 1,069 initiatives were presented in connection with the budget, of which seven were approved and 1,062 were rejected. The Government also submitted three supplementary budgets along with two supplementary bills. In connection with these supplementary budgets 58 initiatives were submitted. One of these was approved and 57 were rejected.

At the end of the spring term Parliament debated the Government's budget framework for 2005-2008. During the autumn term the liveliest debate centred around the Government report on Finnish Security and Defence Policy. The handling of this report can in fact be regarded as the most significant aspect of the session politically. The Government also submitted six other white papers to Parliament. These concerned Finland's human rights policy, regional policy, working life, Finland's participation in a military crisis management operation in Bosnia and Herzegovina, the effects of the reform of preschool education and the achievement of related objectives, and population policy. Two



white papers were held over to 2005.

Three statements by the Prime Minister were submitted to Parliament in 2004. The first of these, which was discussed on the opening day of the session, surveyed the Government's policy in 2004 and key bills that the Government planned to introduce. The second was discussed on 16 June and concerned the implementation of the reform of the Common Agricultural Policy in Finland. The third statement by the Prime Minister was linked to the European Council meeting and was discussed on 22 June 2004.

A total of 17 reports were submitted to Parliament by the Government and Parliament's own organs.

#### MEMBERS' INITIATIVES

The Government answered four interpellation. The first was on improving workers' job security (Kari Uotila and others, 4 February). The second was on financing the welfare society and employment (Irina Krohn and others, 28 April) and the third on ensuring employment and welfare services (Jyrki Katainen and oth-



ers, 8 September). The fourth concerned ensuring basic services provided by local government (Martti Korhonen and others, 5 October).

A total of 1,068 written questions were submitted to members of the Government. This was over 300 more than the year before. A total of 236 issues were discussed during question hours.

Members made 14 debate proposals. Topical discussions were held on three subjects. The first of these, on 17 March, regarded the Johannesburg Summit on Sustainable Development

and Finland. The second, on 5 May, concerned the future of the Finnish Information Society. The third, on 17 November, dealt with developing cooperation in northern Europe.

Members presented 152 legislative initiatives and 130 were held over from the previous year. Five legislative initiatives were approved and 55 were rejected. Members presented 118 measure initiatives and 91 were held over from the previous year. No measure initiatives were approved; ten were rejected.

Here is a summary of matters initiated in the 2004 session of Parliament. Further information on European Union matters and their role in parliamentary work is presented in the section "Work in committees".

• Government bills	282	(181)
• Government statements	-	
• Government White Papers	8	(5)
• Statements by the Prime Minister	3	(3)
• Legislative initiatives	152	(166)
• Measure initiatives	118	(97)
• Budget initiatives	1069	(908)
• Supplementary budget initiatives	58	(65)
• Interpellations	4	(3)
• Written questions	1068	(723)
• Union matters	79	(70)

\* The corresponding figures in the 2003 session of Parliament are in parentheses.

## WORK IN COMMITTEES

### General

The committees stayed busy during the second session in the electoral period as normal. The Government submitted about 100 more bills than the year before and nearly 70 more than in the same stage of the previous electoral period. The committees prepared reports in response to most bills.

At the end of the 2004 session, the special committees were still in the process of handling sixty Government bills, several white papers and reports submitted by the Government, a proposal by the Speaker's Council to amend Parliament's Rules of Procedure, and two matters pertaining to the Chancellor of Justice's legal responsibility. Among this unfinished business, two Government bills, one report and the proposal by the Speaker's Council had been introduced in 2003.

The committees' operating conditions improved. The Grand Committee and the Foreign Affairs Committee, together with personnel, moved to Parliament's new annex. During the autumn term a new meeting room was completed in the main building for the Environment Committee. Now each committee has a separate meeting room for its own use.

The Grand Committee received a new chairman last year: When Ville Itälä left to serve as a Member of the European Parliament, Jari Vilén was elected to replace him. A commission that was appointed by the Speaker's Council with Matti Ahde as chairman continued work aimed at preparing a proposal to merge the Parliamentary State Auditors and the Finance Committee's Subcommittee for Administration and Control to form a body responsible for audit that would operate on the same lines as a committee. The commission completed work in early 2005.



*The Defence Committee is responsible for matters regarding military service, the Defence Forces and legislation pertaining to emergencies.*

## Committee meetings

The total number of committee meetings (1,289) was about 250 more than in the first session of the electoral period. This means that on average each committee held over 15 more meetings than the year before. The number of meetings was also clearly higher than in the second session of the previous electoral period (1,159). The Grand Committee met three times while Parliament was in recess, the Foreign Affairs Committee twice and the Administration Committee once.

The Economic Affairs Committee, the Administration Committee and the Constitutional Law Committee held the largest numbers of meetings.

## Committee reports

Government bills, initiatives and reports submitted to Parliament as well as other matters are prepared in committee before decisions are made in plenary session, according to section 40 of the Constitution of Finland. The committees prepared 284 matters and drafted reports on these for the plenary session.

This means about eight more reports per committee than the year before. The number of committee reports was slightly higher than in the second session of the previous electoral period (250).

The Social Affairs and Health Committee and the Finance Committee drafted the largest numbers of reports.

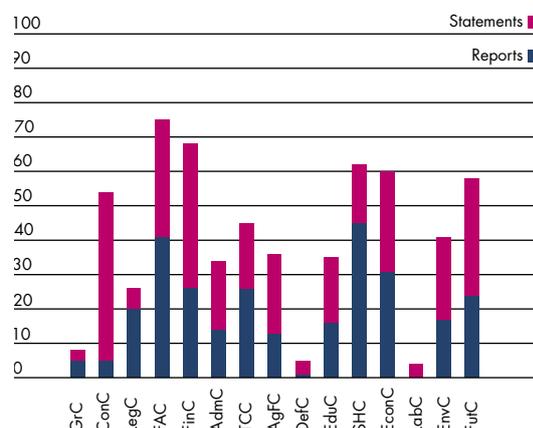
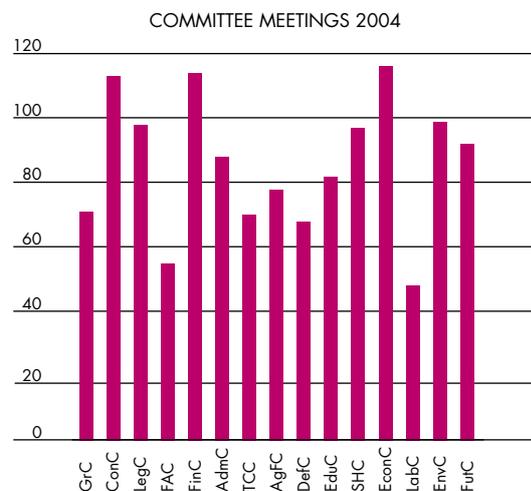
## Statements

The special committees issue statements to one another (Rules of Procedure, sections 32:3 and 38) and to the Grand Committee. They can also issue statements to the Government or a ministry on the basis of information received

from them (Constitution, section 47:2). 1 The special committees issue statements to the Grand Committee on European Union matters (Constitution, sections 96 and 97; Rules of Procedure, section 38:1). 2 The Grand Committee (and the Foreign Affairs Committee) can then issue statements to the Government on these matters (Constitution, sections 96 and 97).

Last year the Administration Committee issued two statements of this kind. Other special committees also handled matters based on requests for information but did not prepare statements on these.

The special committees can also express opinions on Union matters to the Grand Com-



mittee by submitting an extract from their minutes. The Legal Affairs Committee, for example, followed this procedure eight times last year.

The committees issued 327 statements during the year. The largest category consisted of statements made by the special committees to the Grand Committee on European Union matters (196), which made up about 60% of the total. The special committees issued 126 statements to each other. The share of statements relating to European Union matters was about the same as the year before and also about the same as in the second session of the previous electoral period. The total number of statements was much higher than the year before (183) and also somewhat higher than in the second session of the previous electoral period (287).

The Constitutional Law Committee issued the largest number of statements. Nearly all of these were based on the committee's task of ensuring legality (Constitution, section 74). The Finance Committee issued the largest number of statements in European Union matters.

The committees held the following number of meetings and drafted the following numbers of reports and statements in 2004:

## European Union matters

Parliament handled 79 U matters, which fall within Parliament's scope under section 96 of the Constitution, as well as 145 E matters, concerning which Parliament has the right to receive information under section 97 of the Constitution. The corresponding figures were 70 and 103 the year before and 78 and 100 in the second session of the previous electoral period. The Grand Committee also received reports from the Government on 111 meetings of the Council of the European Union. The corresponding figure in 2003 was 101 meetings.

The handling of matters in the European Union typically takes longer than one session, and around 700 U and E matters were under consideration in the Grand Committee, which handled them on the basis of further informa-

	Meetings	Reports	Statements total	Statements to other committees	Statements to GrC	Statements to Gov/Min
Grand Committee (GrC)	71	5	3	0	0	3
Constitutional Law Committee (ConC)	113	5	49	47	2	
Foreign Affairs Committee (FAC)	98	20	6	4	2	
Finance Committee (FinC)	55	41	34	2	32	
Administration Committee (AdmC)	114	26	42	9	31	2
Legal Affairs Committee (LegC)	88	14	20	10	10	
Transport and Communications Committee (TCC)	70	26	19	4	15	
Agriculture and Forestry Committee (AgFC)	78	13	23	10	13	
Defence Committee (DefC)	68	1	4	4	0	
Education and Culture Committee (EduC)	82	16	19	6	13	
Social Affairs and Health Committee (SHC)	97	45	17	6	11	
Commerce Committee (ComC)	116	31	29	4	25	
Committee for the Future (FutC)	48	0	4	2	2	
Employment and Equality Committee (EmpC)	99	17	24	7	17	
Environment Committee (EnvC)	92	24	34	11	23	
<b>Total</b>	<b>1289</b>	<b>284</b>	<b>327</b>	<b>126</b>	<b>196</b>	<b>5</b>

tion supplied by the Government or reports on Council meetings. The figure was about a hundred less than the year before.

The Grand Committee issued three statements to the Government on European Union matters. These concerned the Union's financial framework for 2007-2013, the draft Directive on Services in the internal market, and the reform of the Union's structural funds. The special committees issued 196 statements on U and E matters to the Grand Committee. This was much higher than the figure the year before (80). In the second session of the previous electoral period the special committees issued 172 statements on Union matters.

The Foreign Affairs Committee handled 45 CFSP matters with reference to reports received by the committee under section 97 of the Constitution. The committee did not issue statements on these matters.

The Intergovernmental Conference responsible for drafting the Treaty establishing a Constitution for Europe had adjourned in December 2003. The organizational arrangements negotiated by the IGC were constantly reviewed by the Grand Committee during the spring term. The IGC was concluded by the European Council that met on 17-18 June 2004.

## Travel

In 2004 the committees made numerous study tours and other trips abroad, mainly in delegations (with the figures in brackets indicating the number of MPs plus the number of officials).

### 1. Grand Committee trips

- Brussels, Luxembourg (13+3)
- Warsaw (4+1)
- Dublin, COSAC conference (6+1)
- Turkey, Cyprus (6+1)

- The Hague, COSAC meeting, Luxembourg (6+2)
- Geneva, WTO section (5+1)
- Brussels, WTO conference (6+2)

Committee representatives also visited new members of the European Union to discuss co-operation, for example.

### 2. Special committee trips

- ConC / no trips
- FAC / Egypt, Israel, Palestinian areas, Jordan (6+1)
- FAC / Poland, Hungary (6+1)
- FAC / Estonia, Latvia, Lithuania (5+1)
- FAC / Czech Republic, Slovenia (5+1)
- FAC / Washington, New York (7+2)
- FAC / China - Vietnam (7+1)
- FinC - Subcommittee for Administration and Control / Kenya and Mozambique (8+2)
- FinC - Subcommittee for Education and Science / India (8+2)
- FinC - Agriculture Subcommittee / Poland (9+1)
- FinC - Communications Subcommittee / Hungary, Austria (7+1)
- FinC - Subcommittee for Tax Affairs / Estonia, Sweden (9+1)
- AdmC / London, Paris (7+2)
- LegC / Italy, Greece (7+2)
- TCC / China, Japan (9+2)
- TCC / Riga (14+6)
- TCC / Seoul (4+1)
- TCC / Tallinn (8)
- AgFC / Lithuania, Latvia (9+1)
- DefC / United States (9+1)
- DefC / Moscow (8+1)
- EduC / St. Petersburg (7+1)
- SHC / Warsaw, Berlin (9+2)
- SHC / Geneva (4+1)
- ComC / Moscow (9+1)
- FutC / Vilnius (4+1)
- FutC / Seoul (5+1)
- EmpC / Geneva (5+1)
- EmpC / Estonia (9+1)
- EnvC / New York (5)
- EnvC / Moscow, St. Petersburg (8+2)
- EnvC / Buenos Aires (5)

Committee representatives also attended seminars and conferences abroad, within the European Union for instance. Several committees made study tours and trips in Finland particularly during the summer break.

## PARLIAMENT'S INTERNATIONAL ACTIVITIES

### Speakers' conferences

Finland's Speaker attended the Speakers' Conference of the Council of Europe in Strasbourg in May, where discussion centred around cooperation between national parliaments and European Parliamentary Assemblies.

The Nordic Speakers held two conferences last year. Topics included transatlantic cooperation, the Northern Dimension and cooperation with neighbouring area, among other things.

The Speakers of the parliaments in the EU member states met in The Hague to discuss priorities during the Dutch Presidency, monitoring subsidiarity in national parliaments and arranging Europe Week in national parliaments.

### Parliamentary delegations

Exchanges of parliamentary delegations were brisk during the year. Visitors to Finland included Speaker Ene Ergma of the Estonian Riigikogu, Speaker Armand de Decker of the Belgian Senate, Speaker Volodymyr Lytvyn of the Ukrainian Rada, Speaker Hernan Larrain of the Chilean Senate, Speaker Boris Gryzlov of the Russian Duma and Speaker Józef Oleksy of the Polish Sejm. Parliament received dozens of committee-level delegations.

Speaker Paavo Lipponen headed parliamentary delegations to the Czech Republic, Germany, London and Moscow. Deputy Speaker Ilkka Kanerva headed a delegation to Argentina and



*Parliament receives a large number of heads of state and other political leaders from abroad during the course of the year. Prime Minister Johan Parts of Estonia with Speaker Paavo Lipponen on 27 January 2004.*

Deputy Speaker Markku Koski one to China. Close relations with the People's Congress of China reached a new peak late in the year when a delegation under Speaker Paavo Lipponen visited that country.

Transatlantic relations received new content when the Speakers of the Nordic and Baltic countries visited Washington in early June, acting on Speaker Paavo Lipponen's initiative. They met with Speaker of the House Dennis Hastert and agreed to step up cooperation at the committee level, for instance.

## International organizations

### NORDIC COUNCIL

The Nordic Council's activities in 2004 concentrated on traditional topics such as citizens' rights, eliminating border obstacles, cultural cooperation and environmental cooperation as well as international relations. The second category included the position and role of the Nordic countries and Nordic cooperation in Europe after the recent enlargement of the EU, parliamentary cooperation in the Baltic Sea region and above all developing the parliamentary dimension of the Council of the Baltic Sea States. Cooperation within the EU's Northern Dimension and in northern Europe as a whole and challenges in cooperation with neighbouring areas are also matters that are discussed and followed with interest in the Nordic Council.

Active cooperation continued with the Baltic countries and the Baltic Council, the Benelux countries, the parliamentary cooperation organizations of England and Ireland, and the Russian Duma and Federation Council.

Activities in 2004 climaxed with the 56th session of the Nordic Council in Stockholm on 1-3 November.

At the end of 2003 the Finnish delegation

approved the Nordic Council's new reporting and monitoring system and in February 2004 it arranged a panel for committee chairs and secretaries on this subject.

Agreement was reached with the minister responsible for Nordic cooperation, and in September this minister submitted a report to the delegation outlining the Government's activities in this area.

In April 2004 the Finnish delegation arranged a broad conference on the Northern Dimension for the Nordic Council. Around four hundred persons attended this conference, including parliamentarians from all over the Baltic Sea region as well as other parts of Europe.

### COUNCIL OF EUROPE

The enlargement of the Council of Europe neared completion in 2004, and over half its members now belong to the European Union as well. With enlargement the organization's heterogeneity has increased, but the need to defend its fundamental values (human rights, democracy and the rule of law) has become all the more obvious.

The Parliamentary Assembly approved 49 recommendations and 57 resolutions that were addressed to the Committee of Ministers. After a lengthy process a controversial report on euthanasia had to be sent back to the Committee, however.

In monitoring the state of democracy attention has clearly been focused on the Council of Europe's eastern members. Membership has not always spurred reforms in the desired manner. In addition to Russia, Georgia, Ukraine, Armenia and Azerbaijan have been under scrutiny. Questions have also been raised about the state of democracy in some of the old member states such as Italy (media legislation, certain legal reforms) and Liechtenstein (constitutional reform). Development in Turkey has been in a

positive direction, and consequently monitoring has ceased. In 2004 an agreement was achieved that will allow representatives of the Turkish minority in Cyprus to participate in the Parliamentary Assembly.

Since enlargement the Council of Europe's external relations have picked up and promoting human rights and the rule of law around the world has received greater emphasis. In addition to countries with observer status (Israel, Japan, Mexico and the United States) the Council of Europe maintains contacts with the countries of North Africa and Kazakhstan. The Parliamentary Assembly does not have official relations with Belarus but is following the situation closely and in 2004 drew attention to the fate of missing persons and freedom of expression in Belarus.

In 2004 the Council of Europe approved a significant reform concerning the European Court of Human Rights. The Parliamentary Assembly remains the body that elects independent judges to this court.

#### OSCE PARLIAMENTARY ASSEMBLY

The Finnish delegation to the OSCE Parliamentary Assembly participated actively in the Parliamentary Assembly's work in 2004. At its main events (winter session in February, annual session in July, autumn conferences in October) the OSCE Parliamentary Assembly took positions on security policy challenges facing its members and conducted a dialogue with the organization's government-level representatives and organs. The theme of the annual session was Cooperation and Partnership: Coping with New Security Threats.

Monitoring elections, which is one of the organization's main pillars, was visibly in the fore. Early in the year the Parliamentary Assembly sent a team to monitor elections in Georgia, where a peaceful exchange of power took place. In De-



*One form of cooperation with the Ministry for Foreign Affairs is the annual meeting of mission heads that is hosted by Parliament each August. The new annex has excellent facilities for this purpose. Ambassadors and other participants with their hosts on 24 August 2004.*

cember 2003 criticism concerning Russia's parliamentary elections kindled heated debate, and so did the presidential election in March 2004, which had the expected outcome (the re-election of President Vladimir Putin). On the other side of the world, for the first time the OSCE was invited to monitor the presidential election in the United States in November 2004.

Election monitoring by international organizations has emphasized the significance of national election systems, the different stages of the election process and the role of the media for democracy and the rule of law. The ex-

pansion of election monitoring to the western countries has been taken up in order to increase balance in activities.

The members of the Finnish delegation were actively involved in the Parliamentary Assembly's working groups. Through these working groups the Parliamentary Assembly tried to bring about the resolution of "frozen crises" (Moldova and the Trans-Dniestra region, Georgia and Abkhazia, Belarus), but none of these has been resolved so far.

Alongside hard political issues the OSCE is giving a higher profile to issues in its third basket. It held a conference on human trafficking in October, and two seminars addressed the subject of fighting anti-semitism last year.

The annual Mediterranean Forum was arranged in Greece last October and included participants from the countries of North Africa. Representatives of the Chairmanship in turn visited Algeria and Libya.

#### INTER-PARLIAMENTARY UNION

The Finnish Group to the Inter-Parliamentary Union attended both IPU Assemblies in 2004. The spring Assembly took place in Mexico and the smaller autumn Assembly in Geneva. On the agenda were Iraq and other problems in the Middle East. The Finnish Group was represented at two meetings of Nordic colleagues in Norway. It hosted a Finno-Ugric conference and arranged a conference in Rantasalmi that was attended by delegations from Hungary and Estonia. A small-scale seminar on the regions and the European Union was held in connection with the latter conference.

Katri Komi, the chair of the Finnish Group to the Inter-Parliamentary Union, was elected to the IPU Executive Committee at the Council in Mexico City.

#### CONFERENCE OF PARLIAMENTARIANS OF THE ARCTIC REGION

A permanent delegation appointed by the Speaker's Council represents Finland at the Conference of Parliamentarians of the Arctic Region, which is held every other year. It includes the Nordic countries, Canada, Russia and the United States as well as the European Parliament. Indigenous peoples are also permanent participants. The 2004 Conference was held in Nuuk, the capital of Greenland, on 3-6 September. Finland is also represented in the Standing Committee of Parliamentarians of the Arctic Region.

#### BALTIC SEA COOPERATION

The Finnish delegation to the Baltic Sea Parliamentary Conference met three times last year and attended the Bergen Conference in August. Discussion last year focused on developing the parliamentary dimension of the Council of the Baltic Sea States.

#### NATO PARLIAMENTARY ASSEMBLY

The Finnish delegation to the NATO Parliamentary Assembly attended both meetings in 2004. The spring Assembly's venue was Bratislava in May, the autumn Assembly's Venice in November. Themes included rebuilding Iraq, NATO's structures and procedures, and human trafficking, among other things.

#### ASSEMBLY OF THE WESTERN EUROPEAN UNION

Finland participated in the work of the WEU Assembly as an observer. In addition to the two regular sessions, Parliament sent representatives to conferences on security and defence policy that were held in Enschede, in the Netherlands, and Paris. Activities have mainly

revolved around monitoring decisions regarding the EU's security and defence policy and strengthening the parliamentary dimension of European security and defence policy.

### Other international cooperation

Parliament continued to strengthen its cooperation with the World Bank. A seminar on good governance and parliaments' role was held in September for parliamentarians from French-speaking Africa. Parliament also participates in training sessions arranged by the World Bank and cooperating parliaments and organizations abroad and hosts occasions in Finland.

In October the international affairs unit in cooperation with the development policy committee started a project - the first of its kind - aimed at achieving a dialogue between political actors in Finland and Tanzania to discuss the prerequisites, implementation and promotion of democracy in both countries.

### Friendship groups and other forums

Around 45 friendship and cooperation groups were active in Parliament last year. The largest of these is the Human Rights Group, a network of around fifty MPs that arranged some 60 events in 2004. This group held seminars on the position of female refugees living in Finland, the Uighurs and women as victims of conflicts; conducted hearings on the deportation of foreign military and civilian prisoners, the Darfur catastrophe, Albania, Iraq and different Kurd areas; sent petitions to the presidents of Uzbekistan and Turkmenistan; and met with the President of the Republic, various ministers and numerous human rights activities from Finland and abroad.

In June the group sent a delegation to Afghanistan to find out about the presidential campaign, peacekeepers' civilian-military cooperation, official reconstruction work and international aid organizations' activities.

## INFORMATION ACTIVITIES

The Parliament Information Offices focus on public information services including web and media services. The most significant event last year was the opening of the Visitor's Centre in Parliament's new annex.

The purpose of the Visitor's Centre is to increase interaction between citizens and MPs. It provides access to information in various ways. Visitors are served by staff working in pairs and can send messages to MPs on matters of current interest. The Ministry for Foreign Affairs also has a Europe Information office in the Visitor's Centre.

The Visitor's Centre hosts discussions on timely issues, and many MPs use its facilities to show guests how Parliament works. In addition it has a small cafe and screens that show the plenary session at work.

### Brochures revised

All of Parliament's brochures were revised in time for the opening of the Visitor's Centre. A new look was also created for Parliament, based on the Parliament House logo and a blue colour scheme. In addition to its general presentation, Parliament now has eight brochures on different themes as well as six service brochures in Finnish and Swedish. Most of these are also available in English. Parliament's general presentation has been translated into several languages.

Parliament produced a six-part multimedia for visitors, in Finnish, Swedish and other languages. This tells about the Constitution of Finland, Parliament's activities, MPs' work and Parliament's history and architecture. The multimedia was distributed to schools and libraries around the country.

The Visitor's Centre enjoyed a positive reception. Around 18,500 people dropped by in September-December. It is gratifying to note that every age group was represented.

In the course of the autumn the Visitor's Centre hosted 50 occasions that were open to the public. These were arranged mainly by the parliamentary groups, with MPs, ministers and experts acting as moderators. Themes ranged from language immersion and guaranteed treatment to crisis management units and applicants for EU membership.

### New annex a big hit

Parliament's new annex attracted lots of attention all last year. The Visitor's Centre held open house on two Saturdays in the autumn, allowing people to explore the building. The architects also gave talks in the auditorium at half-hour intervals. Over four thousand people came to get a better look.

The new annex was presented to citizens through the media during Midsummer week. In addition to Finland's news media, it received coverage in the professional press and international media. Many groups came to see the building. At the beginning of the autumn term YLE's breakfast TV conducted an entire interview segment in the Atrium.

### Young People's Parliament and Legislators game

Parliament continued to develop activities aimed at school pupils. The Edusnet service in Finnish was joined by Rixnet in Swedish as well as a set of new brochures. Edusnet and Rixnet serve as databanks in social studies.

Parliament produced a game called Legislators that allows school pupils to get some idea of what it is like to serve as a first-term MP. Players can choose which of five Government bills they want to work on and then go through the procedure for



*The Visitor's Centre in the new annex exemplifies Parliament's increasing emphasis on openness. In September-December no less than 18,500 citizens dropped by to get information on Parliament and the European Union, express views, hear others' opinions and contact MPs.*

enacting legislation in Finland. The touch-screen game walks players through the process of handling a bill in plenary session and in committee while shedding light on other aspects of an MP's job such as relations with voters, interviews with the media and international activities.

The fourth Young People's Parliament was arranged in April. The high point again was question hour, during which ministers responded to queries from school pupils. Tens of school newspaper writers also covered the event. Over a hundred schools now have Parliament clubs and this forms the core of the Young People's Parliament, which is arranged in cooperation with the Centre for School Clubs.

Parliament remained a popular destination for class field trips. Particularly in May the steps in front of Parliament House were filled with cheerful school groups. In all over 25,000 people took guided tours of Parliament.

## News site tells what's happening

During the spring term Parliament opened a news site that shows what Parliament is doing at the moment. The site focuses on plenary sessions and committee work. It also contains event information and direct links to frequently used databases.

The news site marked the first step in updating Parliament's web service, which has very high standards in terms of content. The challenge is to make it easier to find information, create better search tools, improve services for citizens and stay up-to-date visually and technically.

Parliament's web services and other activities were presented at the Next Step fair in Helsinki in January and at the International Oulu Grand Fair in August. Stands were harmonized with Parliament's new look.



The news site linked to [www.eduskunta.fi](http://www.eduskunta.fi) tells what is happening in Parliament at the moment.

## Lively contacts with journalists

A total of 135 political journalists and 70 photographers from the national news media and regional newspapers were accredited to Parliament. In addition numerous journalists visited Parliament to do stories and interviews on different subjects.

Parliament also attracted the international media and close cooperation with the Ministry for Foreign Affairs' Press Section continued to serve journalists from other countries.

Parliament was again a key subject in the news media. The largest amount of column space and air time was given to issues concerning basic services, the future of the European Union, the Government report on Finnish Security and Defence Policy and the state budget for 2005. Contacts between Parliament and the media worked well. Interaction was lively and constructive.

Themes revolve around plenary sessions, the committees, the Speaker's Council, the Speakers' activities and developing parliamentary work. Information is provided in the form of weekly and special bulletins, briefings and news tips.

The number of background sessions was increased with the start of the Speaker's morning coffees for the editors-in-chief of news media and magazines as well as visits by representatives of journalists' associations. Parliament held a special seminar for the local press, and many committees met with journalists in their fields of expertise. Service in the media gallery in the Session Hall was improved.

Parliament's in-house newsletter appeared twice a month. The traditional MP calendar was produced along with a calendar that provides information on MPs and parliamentary organs. Reviews were prepared for the spring and autumn terms.

## ORGANIZATION, FINANCES AND PERSONNEL

### Organization and tasks of the Parliamentary Office

The Parliamentary Office, which is subordinate to the Chancellery Commission, is responsible for creating the proper conditions for Parliament to carry out its tasks as an organ of state. The Parliamentary Office is divided into the Central Office and the Administrative Department. It also includes the Committee Secretariat, the International Department, the Information and Communication Department and since the beginning of 2005 the Security Department. The Parliamentary Office is headed by the Secretary General of Parliament.

On the basis of the recommendations of a working group on security, Parliament decided in late autumn 2004 to modernize its security system. This meant reorganizing the Parliamentary Office by establishing a department-level Security Unit directly under the Speaker and the Secretary General at the beginning of 2005. Security personnel who were previously employed by the Parliamentary Office's other units now work under the Security Unit, which is directed by the Head of Security, thus streamlining the management of security matters in Parliament.

The Office of the Parliamentary Ombudsman, the Office of the Parliamentary State Auditors and the State Audit Office also operate in connection with Parliament.

*The Central Office* takes care of preparatory, execution and service tasks related to plenary sessions of Parliament, the preparation and publication of parliamentary documents and registers and the distribution and storing of documents. The Central Office includes the Registry Office, the Swedish Office and the Documents Office. The Central Office is headed by the Director of Legislation.

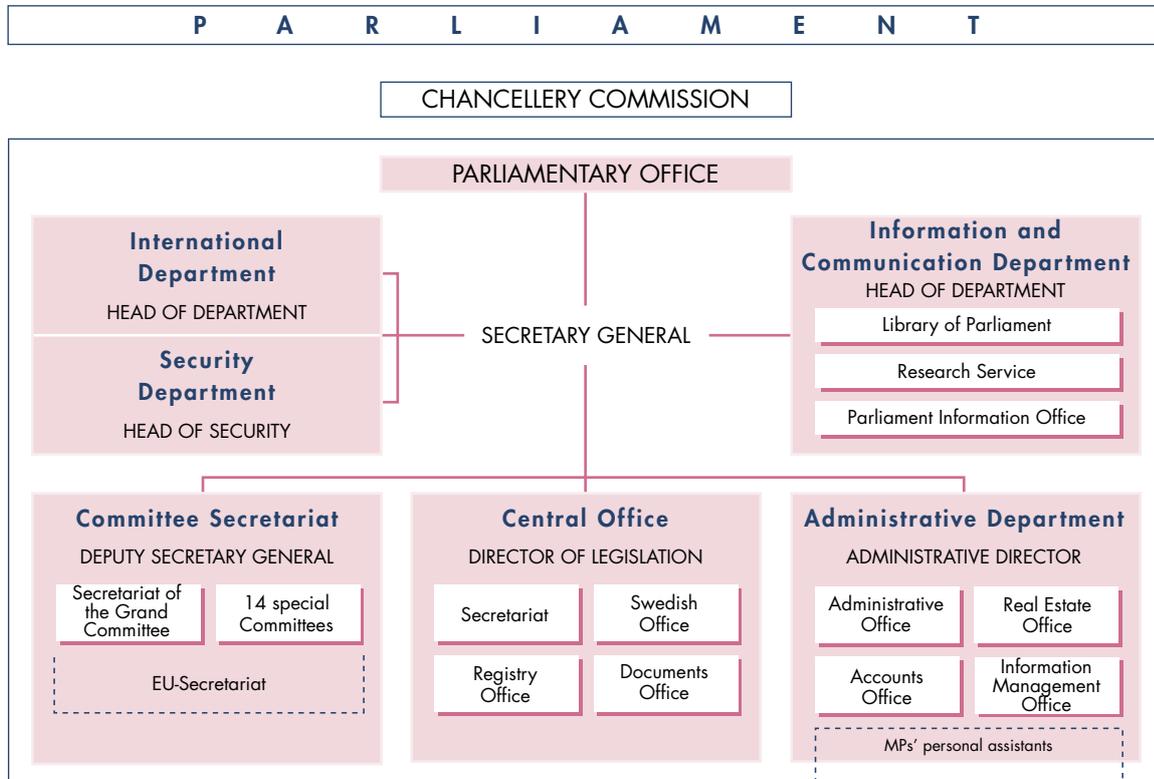
The task of *the Committee Secretariat* is to take care of secretarial services required by the committees, the preparation of matters to be discussed by the committees and the arrangement of related supporting activities. The Committee Secretariat is headed by the Deputy Secretary General of Parliament.

*The EU Secretariat's* main task is to coordinate Parliament's links with the EU. The EU Secretariat includes the secretariats of the Grand Committee and the Foreign Affairs Committee, the Grand Committee's information officer and a special expert in Brussels, who reports regularly on EU decision-making that affects Parliament.

*The Administrative Department* takes care of preparing meetings of the Chancellery Commission and implementing the decisions made at these meetings. It handles matters involving Parliament's budget and financial management as well as the planning of activities and finances, facilities and furnishings, data processing and personnel administration. It also handles other administrative matters which are not taken care of by other units. The Administrative Department comprises the Administrative Office, the Accounts Office, the Real Estate Office and the Information Management Office. The department is headed by the Administrative Director.

*The Parliamentary Office* also includes the International Department, the Information and Communication Department and the Security Unit, which was established in 2004 and went into operation at the beginning of 2005. The Information and Communication Department includes the Library of Parliament as well as internal and external communications.

Organizationally MPs' personal assistants come mainly under the Administrative Department. Personal assistants are employed by the Parliamentary Office and employment contracts are signed by the Administrative Director.



## Management of Parliament's finances

Parliament's expenses totalled Å84.0 million in 2004. This was 17% less than in 2003. The decrease was due to the completion of Parliament's new annex. Excluding investments in the new annex, Parliament's operating expenses rose 4.6% compared with the year before.

The State Audit Office, which has operated under Parliament since the beginning of 2001, is a separate agency that prepares its own annual report and accounts. Its figures are not included in Parliament's accounts.

Expenditure was € 7.5 million less than budgeted. The budget implementation rate was 92%. In 2003 the figure was 94%. The biggest reason for savings was that € 3.7 million appro-

priated to purchase equipment, furniture and IT products for the new annex was not spent. Other items in which savings were achieved were printing costs (nearly € 0.9 million), telecommunication costs (nearly € 0.8 million) and personnel costs (nearly € 0.8 million).

As a legislative body Parliament cost € 14.35 per citizen in 2004. The figure in 2003 was € 14.10. Parliament accounted for about 0.25% of the Finnish state's total costs in 2004.

MPs' pay together with compensation for expenses and travel in Finland totalled € 18.9 million in 2004, up 3.9% over the year before.

The direct costs of MPs' personal assistants in 2004 totalled € 5.9 million, up nearly 5% over the year before. The number of personal assistants at the end of the year was 184.

The direct costs of MPs and their personal assistants amounted to € 23.8 million, which

was slightly under 30% of Parliament's total expenditure.

Other large budget items included pay for parliamentary personnel (over € 25 million), IT operating and investment costs (€ 5.6 million), real estate operating and maintenance costs (€ 3.7 million), the procurement of furniture, equipment and art for the new annex (€ 3.0 million), foreign travel (€ 2.6 million) and printing costs (€ 1.1 million).

The parliamentary group offices spent € 3.4 million, up 4.0% over the year before. The average monthly subsidy for the parliamentary groups was € 1,404 per MP, compared with € 1,350 in 2003.

In addition to MPs and the Parliamentary Office, Parliament's accounts also include funds spent by the Office of the Parliamentary State Auditors and the Office of the Parliamentary Ombudsman.

The Office of the Parliamentary State Auditors spent € 1.6 million in 2004. Spending was 7.2% higher than the year. This was mainly because the Parliamentary State Auditors worked in two teams in 2004. The budget implementation rate was 89%.

The Office of the Parliamentary Ombudsman spent over € 3.6 million in 2004, up 9.1% over the year before. As in previous years fixed-term and temporary personnel were hired to handle the backlog of complaints. The budget implementation rate was 99%.

Last year € 10.8 million in funds carried forward from 2003 was spent on Parliament's new annex, along with € 1.2 million in additional funds that were appropriated in a supplementary budget in 2004.

## Personnel

At the end of 2004 the Parliamentary Office had a total of 486 posts, of which 55 were fixed-term.



This includes 35 posts that were not permanent. A total of 23 posts were open or unfilled. The Office of Parliamentary State Auditors had 16 posts at the end of 2004, of which one was unfilled. The Office of the Parliamentary Ombudsman had 61 filled posts, of which 13 were fixed-term. Two new posts were established in 2004: one presenting counsellor and one senior secretary to the Parliamentary Ombudsman.

Last year 46 new posts were established in the Parliamentary Office, mainly to staff the new annex: one assistant in the Central Office; one recording secretary in the Registry Office; two committee counsellors, one department secretary and one assistant in the Committee



*Parliament's new annex was completed in the summer of 2004. First to move in was the Office of the Parliamentary Ombudsman. Landscaping was under way when this photo was taken.*

Permanent and fixed-term posts were filled in the different units of the Parliamentary Office as follows at the end of 1995-2004:

	04	03	02	01	00	99	98
Central Office	67	67	66	64	71	70	69
Committees	57	56	55	53	48	48	48
Administrative Department	216	195	191	178	169	171	174
International Department	21	19	21	21	19	17	17
Information and Communication Department*	74	76	79	78			
Other**	7	7	6	6	13	13	14
<b>Total</b>	<b>442</b>	<b>420</b>	<b>418</b>	<b>400</b>	<b>320</b>	<b>319</b>	<b>322</b>

\* The Information and Communication Department went into operation at the beginning of 2001. It includes the Library of Parliament as well as internal and external communications, which were formerly handled by the Central Office.  
 \*\* Personnel working directly under the Secretary General, which up to 2001 included information staff.

MPs' personal assistants, who totalled 184 at the end of 2004, are not included in the above table.

## Real estate and facilities

Parliament takes care of its own maintenance, repairs, construction and security tasks. Large-scale projects are tendered out to contractors.

The Parliament House complex has a total volume of 215,826 cubic metres and a gross floor space of 55,650 square metres on a lot covering 15,697 square metres. Cleaners must attend to 33,940 square metres of floor space. The new annex has a volume of 73,690 cubic metres and a gross floor space of 2,745 square metres on a lot covering 2,745 square metres. The Office of the Parliamentary State Auditors and the State Audit Office occupy rented premises in the state office building at Annankatu 44. A civil defence shelter formerly belonging to Finland Post was acquired

Secretariat; ten assistants, one custodian, one personnel secretary, one occupational health nurse and one office secretary in the Administrative Office; ten cleaners, six security guards, one cleaning supervisor, one custodian and one operational supervisor in the Real Estate Office; one application designer and one planner in the Information Management Office; one office secretary in the International Department; one photo assistant in the Library of Parliament; and two secretaries and one information officer in the Parliament Information Office.

Two posts were abolished in 2004: one service adviser in the Library of Parliament and one part-time guide in the Parliament Information Office.



by the Parliamentary Office in April 2000. This contains civil defence facilities for the new annex as well as the main post office and the Museum of Contemporary Art. The Real Estate Office also manages leisure facilities at Palolampi.

The supply of electricity and the operation of communications and computer systems at Parliament are ensured by emergency systems. Parliament also has a civil defence system that allows it to continue functioning in a crisis.

The Real Estate Office continued repairs and renewal work. A new committee room was built on the third floor of Building E. Walls and ceilings were also refurbished. Numerous partitions were altered in Building C after personnel moved to the new annex.

Parliament's new annex was built with a project management model. The agency that won the architectural competition, Helin & Co, was responsible for planning the project. Construction began with excavation and earthmoving in March 2002. Work on the building itself began in November 2002 and the management contract began in March 2003. The main contractor employed over 50 subcontractors. Surface structures were supplied through about 45 special contracts and procurements. Furniture was supplied through about 25 contracts. Around 20 different types of granite from all over Finland and different types of Finnish wood were used as surface structures. The interesting and high-standard building cost € 42.3 million excluding

VAT or € 2,460 per square metre of floor space. In addition to this, furniture and equipment procurements amounted to € 3.0 million. The total cost including VAT was € 55.3 million. The new annex was completed on schedule and according to the cost estimate in June 2004.

## Information management

The Information Management Office was kept busy particularly by the need to devise technical solutions for the new annex. Fixed-line and cordless networks were installed for computers and phones. A new computer centre that works in parallel with the old one went into operation in the new annex, also improving data security.

Tenders to supervise and manage Parliament's servers and local area network were invited in 2004. The winning bid was submitted by TietoEnator, with which Parliament signed an extensive IT services contract.

Parliament began a project to update the information systems in the Session Hall. The goal is for the new systems to go into operation in 2007.

Cooperation continued with the Ministry of Justice and the Ministry of Finance in the RASKE2 project, which is aimed at finding ways to improve information management in Finnish legislative work as well as related services, particularly online. Solutions will make use of metaknowledge and semantic web technology.

*The new annex was inaugurated on 22 September 2004, with Speaker Paavo Lipponen presided over the ceremonies and Bishop Eero Huovinen on hand for the dedication. The programme included performances by the Vivo orchestra, the Philomela women's choir and dancer Jorma Uotinen.*

## STATEMENT OF INCOME AND EXPENSES

	1.1.-31.12.2004		1.1.-31.12.2003	
<i>Operational income:</i>				
Income from paid activities	310 225,38		113 913,02	
Rents and user charges	74 136,57		70 359,58	
Other operational income	<u>32 573,48</u>	416 935,43	<u>39 570,03</u>	223 842,63
<i>Operational expenses:</i>				
Materials, supplies and goods				
Purchases during the year	-2 692 331,85		-3 043 809,09	
Personnel expenses	-46 096 141,55		-43 306 409,22	
Rents	-375 090,93		-521 433,42	
Purchased services	-23 658 562,25		-32 975 387,79	
Other expenses	-5 777 308,37		-5 523 708,65	
Production for own use	11 871 551,87		22 078 919,80	
Depreciation	<u>-2 235 444,37</u>	<u>-68 963 327,45</u>	<u>-1 493 336,47</u>	<u>-64 785 164,84</u>
Deficit I		-68 546 392,02		-64 561 322,21
<i>Financial income and expenses</i>				
Financial expenses	-142,52	-142,52	-810,95	-810,95
<i>Extraordinary income and expenses</i>				
Extraordinary income			<u>16 075,92</u>	<u>16 075,92</u>
Deficit II		-68 546 534,54		-64 546 057,24
<i>Transferred income and expenses</i>				
Transferred expenses	-3 369 600,00		-3 240 000,00	
Transferred expenses abroad	-726 254,72		-709 928,44	
Other expenses	<u>-131 297,92</u>	<u>-4 227 152,64</u>	<u>-110 465,00</u>	<u>-4 060 393,44</u>
Deficit III		-72 773 687,18		-68 606 450,68
<i>Income and expenses from taxes and other compulsory charges</i>				
VAT collected	136 432,68			
VAT paid	<u>-6 783 394,74</u>	<u>-6 646 962,06</u>	<u>-8 346 157,36</u>	<u>-8 346 157,36</u>
DEFICIT FOR THE YEAR		<u>-79 420 649,24</u>		<u>-76 952 608,04</u>

## BALANCE SHEET

	31.12.2004		31.12.2003	
<b>ASSETS</b>				
<b>NATIONAL ASSETS</b>				
Building land and water areas	11 691 953,55		11 691 953,55	
Buildings	27 050 217,05		27 050 217,05	
Other national assets	<u>195 327,98</u>	38 937 498,58	<u>75 327,98</u>	38 817 498,58
<b>FIXED ASSETS AND OTHER LONG-TERM EXPENDITURE</b>				
<b>Immaterial assets</b>				
Immaterial rights	809 155,34		759 630,63	
Other long-term expenditure	86 220,26			
Ongoing procurements	<u>58 729,08</u>	954 104,68		759 630,63
<b>Material assets</b>				
Building land	8 952 374,94		8 664 520,59	
Buildings	40 969 363,99		39 828,49	
Machinery and equipment	4 573 766,74		4 010 175,04	
Furnishings	4 900 503,44		2 139 358,24	
Other material assets	28 324,43		6 819,91	
Construction work in progress		59 424 333,54	<u>29 599 531,47</u>	44 460 233,74
<b>INVENTORIES AND FINANCIAL ASSETS</b>				
<b>Current receivables</b>				
Accounts receivable	12 877,67		21 476,90	
Receivables carried forward	12 396,48		23 230,92	
Other current receivables	36 025,69		6 234,72	
Advance payments	<u>13 873,39</u>	75 173,23	<u>19 019,99</u>	69 962,53
<b>Cash, bank receivables and other financial assets</b>				
Cash accounts	<u>47 961,85</u>	<u>47 961,85</u>	<u>9 740,25</u>	<u>9 740,25</u>
<b>TOTAL ASSETS</b>		<u>99 439 071,88</u>		<u>84 117 065,73</u>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
State's equity at 1.1.1998	37 598 686,23		37 598 686,23	
Change in equity in previous years	37 259 742,47		15 917 215,72	
Equity transfers	95 322 041,36		98 295 134,79	
Deficit for the year	<u>-79 420 649,24</u>	90 759 820,82	<u>-76 952 608,04</u>	74 858 428,70
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	2 615 553,68		3 855 478,72	
Inter-office payments	1 238 779,87		1 147 428,17	
Items to be forwarded	725 155,23		690 565,36	
Accrued expenses	<u>4 099 762,28</u>	<u>8 679 251,06</u>	<u>3 565 164,78</u>	<u>9 258 637,03</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>99 439 071,88</u>		<u>84 117 065,73</u>

## BUDGET IMPLEMENTATION STATEMENT 1.1.-31.12.2004

	Budget 2004	Actual 2004	Actual - budget Larger (+) Smaller (-)	Actual 2003
<b>INCOME ACCOUNTS</b>				
11.04.01 VAT income	136 432,68	136 432,68	0,00	0,00
12.39.10 Miscellaneous income	385 966,95	385 966,95	0,00	230 243,55
<b>TOTAL INCOME ACCOUNTS</b>	<u>522 399,63</u>	<u>522 399,63</u>	<u>0,00</u>	<u>230 243,55</u>
<b>EXPENDITURE ACCOUNTS</b>				
<i>Members of Parliament</i>				
21.01.21 Operational expenditure	19 596 000,00	18 850 546,31	-745 453,69	18 144 901,68
<i>Parliamentary Office</i>				
21.02.19 VAT expenditure	7 500 000,00	6 783 394,74	-716 605,26	8 346 157,36
21.02.21 Operational expenditure	54 401 000,00	48 568 367,35	-5 832 632,65	43 673 487,51
21.02.74 Additional facilities for Parliament	1 200 000,00	1 200 000,00	0,00	23 190 000,00
<i>State Auditors</i>				
21.09.21 Operational expenditure	1 793 000,00	1 590 454,37	-202 545,63	1 482 093,43
<i>Parliamentary Ombudsman</i>				
21.14.21 Operational expenditure	3 667 000,00	3 629 079,73	-37 920,27	3 325 716,63
<i>Other expenditure by Parliament</i>				
21.99.21 Operating funds for parl. groups	<u>3 370 000,00</u>	<u>3 369 600,00</u>	<u>-400,00</u>	<u>3 240 000,00</u>
<b>TOTAL EXPENDITURE ACCOUNTS SEC. 21</b>	<u>91 527 000,00</u>	<u>83 991 442,50</u>	<u>-7 535 557,50</u>	<u>101 402 356,61</u>
<b>TOTAL EXPENDITURE ACCOUNTS</b>	<u>91 527 000,00</u>	<u>83 991 442,50</u>	<u>-7 535 557,50</u>	<u>101 402 356,61</u>
<b>DEFICIT FOR THE YEAR</b>		<u>-83 469 042,87</u>		<u>-101 172 113,06</u>
<b>FUNDS CARRIED FORWARD</b>				
Additional facilities for Parliament 2002				9 722 741,90
Additional facilities for Parliament 2003	<u>10 806 857,98</u>	<u>10 806 857,98</u>		
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>10 806 857,98</u>	<u>10 806 857,98</u>		<u>9 722 741,90</u>
<b>FUNDS CARRIED FORWARD TO 2005</b>				
Additional facilities for Parliament 2004		16 385,76		

## ACCOUNTING PRINCIPLES

*The annual accounts have been prepared in the manner prescribed in sections 44-48 of Parliament's accounting regulations and according to the State Treasury's guidelines for 2004.*

*Real estate has been evaluated according to tax values used in the levying of 1997 real estate tax. National property includes Parliament's land areas, Parliament House, Buildings A and B, Building C together with storage, civil defence and parking facilities, and Building D. Depreciation has not been calculated on these, since they constitute long-term state property in which the emphasis is on preserving and protecting assets. The Balance Sheet does not include art works classifiable as national property which were purchased before 1 January 1998. Their value according to an evaluation at 31 December 1997 is €3,073,634.*

*In the Balance Sheet, Buildings include planning and other construction costs paid in 2001-2004 after the decision to build the new annex (Building F), which have been capitalized upon the completion of the annex. Buildings also include the value of a new sauna which was added to recreation facilities at the end of 2002.*

*In the Balance Sheet, building land includes the lot acquired from the City of Helsinki for Parliament's new annex. Its value of €8,664,520.59 was determined according to estimates for corresponding lots in the area. The balance sheet value of building land has risen by €287,854.35 because connection charges for the lot have been added to it.*

*Depreciation has been booked according to plan. Depreciation according to plan has been calculated on a straight-line basis. Depreciation periods are five years for computer software and hardware and office machinery and equipment and seven years for other machinery and equipment.*

*Under operational income, income from paid activities includes income from the Library of Parliament's remote lending and other activities, postal services, printing services and card sales, and the sale of assets no longer in use. Rents and user charges include rent and other charges from nine dwellings and a civil defence shelter.*

*Under operational expenses, personnel expenses include MPs' pay together with compensation for expenses, parliamentary employees' salaries, holiday pay, experts' fees, fringe benefits, pension costs and side costs. Other expenses include travel expenses, Finnish and international membership fees and real estate taxes.*

*Transferred expenses include subsidies for parliamentary group offices, subsidies for clubs and activity groups and membership fees paid to the Nordic Council.*

*Under current liabilities, accrued expenses include holiday pay liabilities.*

*Accounting in Parliament is on an accrual basis. The annual accounts have been corrected on a payment basis.*

Helsinki, 28 February 2005

Kari T. Ahonen  
Administrative Director

Pertti J. Rosila  
Head of Office

## AUDITORS' REPORT

In the manner prescribed by section 19 paragraph 1 of Parliament's accounting regulations we have audited the financial statements, accounts and administration of Parliament during the financial period 1 January - 31 December 2004. The financial statements include the year-end accounts, the annual review of activities and the appendices stipulated in section 48 of the accounting regulations. On the basis of our audit we issue our opinion on the financial statements and administration.

The audit has been conducted in accordance with Finnish auditing standards. The accounts, accounting principles and the content and presentation of the financial statements have been examined to the extent required to determine that the financial statements do not contain essential mistakes or deficiencies. In the auditing of administration we have determined that the actions of the Chancellery Commission and the Parliamentary Office have been in conformance with the law.

In our opinion the financial statements have been prepared in accordance with the rules and regulations regarding the preparation of Parliament's accounts. The financial statements give a true and adequate view of Parliament's finances and their development during the financial period as prescribed in the accounting regulations. We do not have any comments on Parliament's 2004 financial statements, accounts or administration.

Helsinki, 7 April 2005



Matti Saarinen



Aulis Ranta-Muotio



Petri Salo



Eero Suomela  
KHT

