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Decree on the Forestry Centres and Forestry Development Centre Tapio

(93/1996, amendments up to 1381/2004 included)

Chapter 1 - Provisions concerning Forestry Centres

Section 1 - Tasks of the Forestry Centre

(1) The task of the Forestry Centre is to:

- 1) promote the sustainable management and use of forests, the preservation of their diversity and other environmental protection in forestry;
 - 2) monitor the state and development of forestry and forests in its territory and make proposals and take initiatives concerning these;
 - 3) promote forestry cooperation;
 - 4) promote and carry out forest planning regionally and on individual holdings;
 - 5) plan and implement forest management work by means of State financial aid to ensure sustainable wood production, preserve forest biodiversity and manage the forest nature;
 - 6) draw up a target programme for forestry concerning its territory;
 - 7) carry out training, advising and communication activities promoting forestry;
 - 8) promote the development of economic activities based on forestry and yield professional assistance to forest owners and other parties engaged in forestry in matters relating to the practising of forestry;
 - 9) participate in international cooperation relating to its tasks; and
 - 10) carry out tasks prescribed to it or assigned by the Ministry of Agriculture and Forestry.
- (2) In addition to the tasks referred to in subsection 1 above, the Forestry Centre controls the compliance with the legislation concerning forestry and manage other public authority tasks as provided separately.

Section 2 - Tasks of the Board of Directors of the Forestry Centre

(1) The task of the Board of Directors of the Forestry Centre is to:

- 1) decide the lines of action and negotiation objectives for the performance negotiations with the Ministry of Agriculture and Forestry;
- 2) decide on matters concerning the long-term action and financial planning and ratify the annual action plan and budget;
- 3) ratify the rules of procedure of the Forestry Centre;
- 4) decide on making a proposal concerning forest management work by means of State financial aid to the Ministry of Agriculture and Forestry;
- 5) decide on the territory of the Forest Management Association and other matters assigned to the Forestry Centre in the Forest Management Association Act (534/1998), except for matters which concern decision-making directly with respect to a private citizen or corporation in an individual matter;
- 6) decide on the sale and purchase of real estate, shares entitling to the possession of the working premises or other property of significant value, mortgaging of property and lodging of security within the competence of the Forestry Centre and other economically significant matter;
- 7) ratify the financial statement of the Forestry Centre and approve the annual report;
- 8) ratify the principles for using the forest management fees paid to the Forestry Centre;

- 9) as the supreme body, control the activity of the Forestry Centre, except for resolving public authority matters referred to in section 5(1) of the Act on Forestry Centres and Forestry Development Centre Tapio (1474/1995); and
- 10) deal with other matters of significance to the activity of the Forestry Centre. (1019/2000)

Section 3 - *Composition of the Board of Directors of the Forestry Centre*

- (1) The Board of Directors of the Forestry Centre has two State representatives, one representing expertise in environmental protection and one representing Metsähallitus in Forestry Centres in whose territory a significant share of the forestry land is State land governed by Metsähallitus. Of the other members three are nominated from persons proposed by the most representative forest owner associations in the territory concerned and one from persons proposed by the most representative forest industry organisation. One member is nominated from persons proposed by the most representative associations representing the forest machine contractors, forest workers and personnel of the Forestry Centre.
- (2) When making the proposal concerning the representatives of forest owners it must be ensured that the different forest owner groups within the territory of the Forestry Centre concerned are duly taken into account in the proposal.

Section 4 - *Qualifications of a member of the Board of Directors of the Forestry Centre*

- (1) The member of the Board of Directors of the Forestry Centre must have knowledge of the circumstances related to forestry within the territory of the Forestry Centre.
- (2) A person who has turned 65 years of age at the beginning of the term of office of the Board of Directors may not be nominated as its member. A person whose other task or position may conflict with the statutory tasks of the Forestry Centre may also not be nominated as a member of the Board of Directors.

Section 5 - *Releasing a member and supplementing the Board of Directors of the Forestry Centre*

- (1) If a member of the Board of Directors of the Forestry Centre resigns or dies during the term of office, another member is nominated to replace him or her for the remaining term by the same procedure as applied when nominating the original member.
- (2) A member is released by the Board of Directors.

Section 6 - *Organisation and activity of the Board of Directors of the Forestry Centre*

- (1) The Board of Directors elects a Chairperson and Vice-Chairperson from among the members.
- (2) The Board of Directors is convened by the Chairperson or, when the Chairperson is prevented, by the Vice-Chairperson.
- (3) A quorum is present at the Board of Directors when the Chairperson and at least half of the members are present. The decision of the Board of Directors is the opinion which is supported by more than half of the members present or, when the outcome of a vote is even, the opinion supported by the Chairperson.

Section 7 - *Personnel of the Forestry Centre*

- (1) The Forestry Centre has a Director and the necessary number of public authority officials to resolve public authority matters as well as officials presenting public authority matters. The regulations on the other personnel are set down in the rules of procedure. (1019/2000)

Section 8 - *Qualifications of the personnel of the Forestry Centre*

- (1) The Director of the Forestry Centre must hold a relevant university degree and have good knowledge of forestry and administrative duties as well as managerial skills.

- (2) A public authority official must hold a relevant university degree and have good knowledge of forestry and the relevant legislation as well as administrative tasks.
- (3) An official presenting public authority matters must have good knowledge of forestry and the relevant legislation as well as administrative tasks. (1019/2000)

Section 9 - *Tasks of the Director of the Forestry Centre*

- (1) The task of the Director of the Forestry Centre is to direct, control and develop the activities of the Forestry Centre and carry the responsibility for the outcome of the activity. The Director is also responsible for the preparation of matters dealt with in the Board of Directors and for the implementation of its decisions.

Section 10 - *Disqualification of a member of the Board of Directors and the Director of the Forestry Centre*

- (1) The provisions on the disqualification of a public official set down in the Administrative Procedure Act (598/82) apply, as appropriate, to the disqualification of a member of the Board of Directors and the Director of the Forestry Centre and his or her deputy.

Section 11 - *Filling the positions of the Forestry Centre*

- (1) The Director of the Forestry Centre is elected by the Board of Directors. The decision must be submitted to the Ministry of Agriculture and Forestry for ratification. The deputy to the Director is appointed by the Board of Directors. No public authority official may be nominated as the deputy.
- (2) A public authority official is nominated and the deputies are appointed by the Board of Directors. The decision on the nomination and appointment as well as a decision whereby a public authority official is released from his or her position without his or her own request must be submitted to the Ministry of Agriculture and Forestry for ratification. The provisions on the procedures to be followed in the application and filling of positions set down in the Decree on State Civil Servants (971/1994) apply to the filling of positions. (1019/2000)
- (3) Other positions are filled by the Director, unless otherwise provided in the rules of procedure.
- (4) Vacant positions other than those referred in subsection 1 must be announced in an appropriate manner.

Section 12 - *Resolving of matters*

- (1) The Board of Directors of the Forestry Centre resolves the matters assigned to it.
- (2) Public authority matters are resolved by an official of the Forestry Centre nominated to this task.
- (3) Matters other than those referred to in subsection 1 are resolved by the Director, unless otherwise provided in the rules of procedure.
- (4) Should any uncertainty arise as to whether a matter falls under the authority of the Board or Directors or Director, the Ministry of Agriculture decides who resolves the matter.
- (5) Matters referred to in subsections 1 and 2 above are resolved upon presentation. When necessary, regulations on the presentation procedure in other matters are set down in the rules of procedure.

Section 12a - *Differentiation of the preparation of public authority matters*

- (1) The provisions set down in the Act on the Forestry Centres and Forestry Development Centre Tapio and under it concerning who resolves public authority matters apply to the differentiation of the tasks of an official presenting public authority matters. (1019/2000)

Chapter 2 - Forestry Development Centre Tapio

Section 13 - *Tasks of the Forestry Development Centre Tapio*

- (1) The task of the Forestry Development Centre Tapio (Development Centre) is to:
 - 1) promote the sustainable management and use of forests, the preservation of their diversity and other environmental protection in forestry;
 - 2) monitor the state and development of forestry and forests and make proposals and take initiatives concerning these;
 - 3) produce expert, development and training services in forestry;
 - 4) promote and develop forest planning;
 - 5) carry out publication and communication activities serving forestry;
 - 6) maintain and develop the data and information management of forestry;
 - 7) develop the forest management and forest land improvement methods to ensure sustainable wood production, preserve forest biodiversity and manage the forest nature;
 - 8) promote the development of economic activities based on forestry;
 - 9) participate in international cooperation relating to its tasks; and
 - 10) carry out tasks prescribed to it or assigned by the Ministry of Agriculture and Forestry.
- (2) Especially in the publication and communication activities the Development Centre must ensure that the services for the Swedish-speaking forest owners are available in their own mother tongue.

Section 14 - *Tasks of the Board of Directors of the Development Centre*

- (1) The task of the Board of Directors of the Development Centre is to:
 - 1) decide the lines of action and negotiation objectives for the performance negotiations with the Ministry of Agriculture and Forestry;
 - 2) decide on matters concerning the long-term action and financial planning and ratify the annual action plan and budget;
 - 3) ratify the rules of procedure of the Development Centre;
 - 4) decide on the sale and purchase of real estate, shares entitling to the possession of the working premises or other property of significant value, obtaining a mortgage and lodging of security within the competence of the Development Centre and other economically significant matter;
 - 5) ratify the financial statement of the Development Centre and approve the annual report;
 - 6) as the supreme body, control the activity of the Development Centre; and
 - 7) deal with other matters of significance to the activity of the Development Centre.

Section 15 - *Composition of the Board of Directors of the Development Centre*

- (1) The Board of Directors of the Development Centre has two State representatives, one from the Ministry of Agriculture and Forestry, one representative of the forest industry, and three representatives of the Forestry Centres, of which at least one must be a Director of a Forestry Centre. (1292/2003)
- (2) Provisions on the nomination of members representing the Forestry Centre are set down in section 10(2) of the Act on the Forestry Centres and Forestry Development Centre Tapio. The different parts of the country and regional equality must be taken into account when nominating the members. The Board of Directors of the Forestry Centre proposes the members. The Ministry of Agriculture and Forestry issues the necessary administrative provisions on the procedure for selecting the candidates representing the Forestry Centres.
- (3) The Ministry of Agriculture and Forestry requests a proposal for candidates to represent the forest industry in the Board of Directors from the most representative forest industry association.

Section 16 - *Qualifications and release of a member of the Board of Directors of the Development Centre*

- (1) A person who has turned 65 years of age at the beginning of the term of office of the Board of Directors of the Development Centre may not be nominated as its member.
- (2) If a member of the Board of Directors of the Forestry Centre resigns or dies during the term of office, another member is appointed to replace him or her for the remaining term by the same procedure as applied when appointing the original member.

Section 17 - *Organisation and activity of the Board of Directors of the Development Centre*

- (1) The Board of Directors of the Development Centre is chaired by the representative of the Ministry of Agriculture and Forestry. The Vice-Chairperson is elected by the Board of Directors.
- (2) The provisions concerning the convening and decision-making of the Board of Directors of the Forestry Centre in section 6 apply to the Board of Directors of the Development Centre.

Section 18 - *Personnel of the Development Centre*

- (1) The Forestry Centre has a Director. The regulations on the other personnel are set down in the rules of procedure.

Section 19 - *Director of the Development Centre*

- (1) The tasks of the Director of the Development Centre are to direct, control and develop the activities of the Development Centre and carry the responsibility for the outcome of the activity. The Director is also responsible for the preparation of matters dealt with in the Board of Directors and for the implementation of its decisions.
- (2) The Director of the Forestry Centre must hold a relevant university degree and have good knowledge of forestry and administrative duties as well as managerial skills.

Section 20 - *Filling the positions of the Development Centre*

- (1) The Director of the Development Centre is elected by the Board of Directors. The decision must be submitted to the Ministry of Agriculture and Forestry for ratification. The deputy to the Director is appointed by the Board of Directors.
- (2) Other positions are filled by the Director, unless otherwise provided in the rules of procedure.
- (3) Vacant positions must be announced in an appropriate manner.

Chapter 3 - Provisions common to the Forestry Centres and Development Centre

Section 21 - *Operating and financial plan and budget*

- (1) To support the performance in the activities and finance, to establish the grounds for the preparation of the annual budget and granting of State aid, and to improve the conditions for management, each Forestry Centre and the Development Centre prepares a multiannual operating and financial plan and submits this to the Ministry of Agriculture and Forestry as provided by the Ministry.

Section 22 - *Granting of State aid (repealed by 1381/2004)*

- (1) When the budget proposal has been ratified, the Ministry of Agriculture and Forestry decides on the granting of aid to the Forestry Centre and Development Centre for their operations.
- (2) Advance payments of the State aid are made monthly.
- (3) The Ministry of Agriculture and Forestry decides the final amount of the State aid after having received the financial statements from the Forestry Centres and Development Centre.

Section 23 - *Management and use of funds (repealed by 1381/2004)*

- (1) The State funds allocated to the Forestry Centre and Development Centre must be kept separate from the other funds of the Forestry Centre and Development Centre in a giro account of the State which may be used by the Forestry Centres or Development Centre. Funds may be withdrawn from the account only when they are used for their purpose.
- (2) The provisions on the accountable party set down in the State Budget Decree (1243/92) must be complied with in the management and accounting of the funds granted to the Forestry Centres and Development Centre other than those intended for their operations. However, the Ministry of Agriculture and Forestry may order that the documents referred to in section 56 of the said Decree be attached to the statement of account which the Forestry Centre and Development Centre submits to the Ministry of Agriculture and Forestry

Section 24 - *Control of the use of funds (repealed by 1381/2004)*

- (1) The Ministry of Agriculture and Forestry controls the use of funds at the Forestry Centres and Development Centre. For the implementation of the control the Forestry Centres and Development Centre must give the Ministry of Agriculture and Forestry the information and accounts it requests.
- (2) If necessary, the Ministry of Agriculture and Forestry issues further provisions on the granting, use and control of use as well as recovery of the State aid.

Section 25 - *Accounting period and financial statement*

- (1) The accounting period of the Forestry Centres and Development Centre is the calendar year. A financial statement must be drawn up for each accounting period, including a profit-and-loss statement and balance sheet and the notes to these as well as an annual report.
- (2) The Forestry Centre and Development Centre which have the authority in another corporation with accounting obligation as set out in the Accounting Act (655/73) must draw up a consolidated balance sheet with notes and annex this to its financial statement.
- (3) The annual report must contain an account of the operations and use of funds of the Forestry Centre and Development Centre during the accounting period.

Section 26 - *Signing and ratification of the financial statement (amended by 1381/2004)*

- (1) The financial statement is ratified by the Board of Directors and signed by the Board of Directors and Director. The ratified financial statement must be delivered to the Ministry of Agriculture and Forestry before the end of April of the year following the accounting period.

Section 26a - *Information on performance (1381/2004)*

- (1) The Forestry Centre and Development Centre must draw up an account of the impacts of the transfers granted to them and the operative performance of the activity funded by these as well the impacts, economic efficiency and profitability of the capital expenditure. The information concerning performance must also include a comparison with the adopted performance objectives. The description and comparisons must be delivered to the Ministry of Agriculture and Forestry by the 15th of March following the accounting period

Section 27 - *Auditors and their tasks*

- (1) If an auditing corporation is appointed as the auditor, the auditing corporation must notify who has the main responsibility for carrying out the audit.
- (2) The auditor must check the accounting, financial statement and administration of the accounting period in compliance with the good auditing practice.

- (3) When the audit has been completed, the auditor must make a note on this to the financial statement, referring to the audit report, and give a statement on whether the financial statement has been drawn up in compliance with the good accounting practice.
- (4) The auditor must give an audit report for each accounting period.

Section 28 - *Audit report*

- (1) The audit report to be given to the Board of Directors by the end of March of the year following the accounting period must include a statement on:
 - 1) whether the administration and finances of the Forestry Centre or Development Centre have been managed in accordance with the rules and regulations;
 - 2) whether the financial statement has been drawn up in accordance with the relevant rules and regulations;
 - 3) whether the financial statement gives correct and sufficient information on the operations and finances of the accounting period;
 - 4) whether the information on the use of fund given in the annual report is correct; and
 - 5) ratification of the financial statement.
- (2) If the auditor detects that the finances and administration of the Forestry Centre or Development Centre have been managed contrary to the rules and regulations or the relevant responsible party is otherwise guilty of an act or neglect which may cause liability for damages, the auditor must make a note on this to the audit report. If the note concerns the action of the Board of Directors, this must be notified to the Ministry of Agriculture and Forestry, which decides on the necessary measures.
- (3) If the auditor detects any significant cause for admonition in the administration or finances of the Forestry Centre or Development Centre, the matter must be notified to the Director and Board of Directors as well as to the Ministry of Agriculture and Forestry immediately.

Section 29 - *Right of auditor to be present*

- (1) The auditor has the right to be present and speak at the meeting of the Board of Directors of the Forestry Centre and Development Centre where matters relating to his or her tasks are dealt with.

Section 30 - *Independence and disqualification of the auditor*

- (1) The auditor must be capable of carrying out an independent audit. Should the conditions for this be lacking, the auditor must refuse or give up the task.
- (2) The auditor is disqualified at least when he or she is:
 - 1) a member of the Board of Directors of the Forestry Centre or Development Centre or his or her alternate or person employed by the said organisations;
 - 2) a member of the administrative board or board of directors, managing director or person who holds a similar position in a corporation where the Forestry Centre or Development Centre has authority as referred to in the Accounting Act, or a person responsible for the accounting or management of funds in the corporation or the control of their management;
 - 3) a person who has a relationship referred to in section 10(2) of the Administrative Procedure Act to a member of the Board of Directors of the Forestry Centre or Development Centre or his or her alternate, to the Director or his or her deputy, or a person responsible for the accounting or management of funds of the Forestry Centre or Development Centre;
 - 4) a person employed in a financial institution which has established customer relations with the Forestry Centre or Development Centre; or
 - 5) in the case of a Forestry Centre, member of the board of a Forest Management Association operating in the territory of the Forestry Centre concerned or employed by the said association.

Section 31 - *Auditor's entitlement to information and disclosure obligation (699/1999)*

- (1) The Board of Directors and Director of the Forestry Centre and Development Centre must give the auditor the opportunity to carry out the audit to the extent considered necessary and yield accounts and assistance requested by the auditor.
- (2) The audit is obliged to yield information to the Ministry of Agriculture and Forestry as it may request.

Section 32 - *Resignation and dismissal of the auditor*

- (1) The auditor may resign from the tasks during the term of office by notifying this to the Ministry of Agriculture and Forestry.
- (2) The Ministry of Agriculture and Forestry may dismiss the auditor during the term of office.
- (3) A new auditor is appointed for the remaining term of office to replace the auditor who has resigned or been dismissed.

Section 33 - *Fees and remunerations*

- (1) The Ministry of Agriculture and Forestry determines the fees of the members of the Boards of Directors and inspection committees and the principles for the daily allowances and remunerating travel costs.

Section 34 - *Service of a summons*

- (1) A summons or other service is considered to have been received by the Forestry Centre of Development Centre when it has been served to the Director of the Forestry Centre or Development Centre or his or her deputy.

Section 35 - *Rules of procedure*

- (1) Further provisions on the organisation, staff and their tasks, resolving matters and organisation of the activity are issued in the rules of procedure ratified by each Forestry Centre and Development Centre. However, if necessary further provisions on the organisation of the power of decision in public authority tasks pertaining to the Forestry Centre are issued by the Ministry of Agriculture and Forestry.

Section 36 - *Forest plan*

- (1) Forest plan refers to a multiannual plan concerning the timber resources of the forests of the forest owner and their state as well as their management and use.

Chapter 4 - Inspection committee

Section 37 - *Composition of the inspection committee*

- (1) The Chairperson and Vice-Chairperson of the inspection committee are appointed and dismissed by the Ministry of Agriculture and Forestry.
- (2) The most representative forest owner associations in the territory of the Forestry Centre referred to in section 3(1) above select three members representing the forest owners for the inspection committee. When selecting the members they must ensure that the different forest owner groups in the territory of the Forestry Centre are represented in the inspection committee.
- (3) Each Forestry Centre nominates three officials for the inspection committee. The persons nominated may not be public authority officials.
- (4) The term of office of a member of the inspection committee is four years. If a member of the inspection committee dies or resigns during the term of office, another member is nominated to

replace him or her for the remaining term, if necessary, by the same procedure as applied when nominating the original member.

Section 38 - *Qualifications and disqualification of the members of the inspection committee*

- (1) A member of the inspection committee must have sufficient knowledge of forestry, and the Chairperson and Vice-Chairperson must also have sufficient knowledge of the forestry legislation.
- (2) A member of the inspection committee may not be 65 years of age or older in the beginning of the term of office.
- (3) The provisions on the disqualification of a public official set down in the Administrative Procedure Act apply, as appropriate, to the disqualification of the Chairperson, Vice-Chairperson and member of the inspection committee.

Section 39 - *Meeting of the inspection committee*

- (1) A request for an inspection must be presented to the relevant Forestry Centre, which forwards the matter to the Chairperson of the inspection committee or, when he or she is not available, to the Vice-Chairperson.
- (2) The inspection committee is convened by the Chairperson or Vice-Chairperson. The inspection operation must be notified to the forest owner and other interested parties at least ten days before the operation.

Chapter 5 - **Transitional provisions and entry into force**

Section 40 - *Entry into force*

- (1) This Decree enters into force on 1 March 1996.
- (2) This Decree repeals the Decree on Forestry Centres and Forestry Boards of 15 February 1991 (299/91).
- (3) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

Section 41 - *Boards of Directors*

- (1) By way of derogation from the provisions on the appointment of the Boards of Directors set down above in this Decree, the Ministry of Agriculture and Forestry has the right to appoint temporary Boards of Directors to the Forestry Centres and Development Centre for starting the activity and day-to-day management until the Board of Directors has been appointed as set down in this Decree.

Section 42 - *Filling of positions*

- (1) By way of derogation from the provisions on the appointment of the Directors of the Forestry Centres and Development Centre and the public authority officials of the Forestry Centres set down in this Decree, the Ministry of Agriculture and Forestry has the right to appoint temporary Directors for the Forestry Centres and the Development Centre for starting the activity and day-to-day management and temporary public authority officials to the Forestry Centres for resolving public authority tasks until the said persons have been appointed as set down in this Decree.
- (2) When the positions of the Forestry Centres and Development Centre are for the first time filled in accordance with this Decree, they need not be advertised as vacant.

Section 43 - *Accounting period*

- (1) By way of derogation from the provisions on the accounting period of the Forestry Centres and Development Centre, the first accounting period of the Forestry Centres and Development Centre is 1 March-31 December 1996.

(1381/2004)

- (1) This Decree enters into force on 1 January 2005.
- (2) This Decree applies to state aid granted or whose advance payment is made after the entry into force of this Decree.
- (3) Section 26a of the Decree applies for the first time to transfers or capital expenditure under the budget of the budget year 2004.