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RIGSREVISIONEN

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# The audit of the Danish government's administration in 2018

# 1. Introduction and conclusion

## 1.1. Purpose and conclusion

1. The report concerns the audit of the government's administration in 2018. We have examined whether the ministries' administration of specific, well-defined areas of responsibility assist the ministries in complying with current regulations and taking into account due economic considerations. The audits are planned to ensure that we audit essential processes and systems in the ministries' individual areas of responsibility, in the course of a five-year period.

Through the audits, we assessed whether the ministries administered the selected areas of responsibility in compliance with the regulations and terms laid down by the Danish parliament (the Folketing). The purpose of the report is therefore to assist the Public Accounts Committee and the Folketing in their supervision of the ministries.



### Conclusion

The audit disclosed regulatory breaches and weaknesses in the administration, which resulted in three critical remarks about the Ministry of Taxation's administration.

The Ministry of Taxation's administration of debt collection has been affected by extensive data problems and limited system support. Public arrears have increased to DKK 118.2 billion in 2018.

The Ministry of Taxation has failed to charge interest to a number of claims, which has resulted in a loss to the state of minimum DKK 400 million.

The third critical remark concerns non-compliance with current legislation; the Ministry of Taxation has not instructed the police to impound the number plates of vehicles whose owners have failed to pay weight tax or green vehicle tax when due.

The audit also detected a number of issues in the remits of other ministries. These did not give cause for critical remarks, but they will be brought to the attention of the Public Accounts Committee.

These cases concern, among other things, government bodies or public enterprises that have made incorrect salary payments or have failed to comply with regulations concerning working hours. We have found breaches of regulations of greater or lesser severity, errors and shortcomings in 14 ministerial remits.

### Critical remarks

We make critical remarks if our audit discloses significant compliance breaches or weaknesses in administration that we consider to be of interest to the Folketing or the public. A critical remark is at the top of Rigsrevisionen's scale of criticism.

We have also found shortcomings in the administration of government subsidies which entails a risk that funding is not used for the purposes intended.

Lastly, we detected serious shortcomings in the IT security at the Danish National Police, the Danish National Health Data Authority and Banedanmark (public enterprise with responsibility for the maintenance of the Danish railways) that increase the risk of data being compromised and system failures that may affect the delivery of public services.

## Overview of audit findings

Critical remarks	Other audit findings
Ministry of Children and Social Affairs	Several ministries can improve their payroll administration, section 3.1.
Ministry of Energy, Utilities and Climate	<p>The Ministry of Energy, Utilities and Climate is not certain that funding to promote sustainable energy has been provided in compliance with the legal basis, item no. 41.</p> <p>The Ministry of Energy, Utilities and Climate has not ensured due closing of cases concerning funding for new energy technology, item no 42.</p>
Ministry of Finance	The Ministry of Taxation and the Ministry of Finance are not checking the European Commission's calculation of Denmark's contribution to the EU budget, item no. 53.
Ministry of Defence	<p>Several ministries can improve their payroll administration, section 3.1.</p> <p>Five ministries violate regulations concerning working hours and rest periods, item nos 27-29.</p> <p>The Ministry of Defence's budgetary control of IT projects is inadequate, item nos 48-49.</p>
Ministry of Justice	<p>Several ministries can improve their payroll administration, section 3.1.</p> <p>The Ministry of Justice has paid DKK 800,000 to a manager to which he/she was not entitled, item no. 23.</p> <p>Five ministries violate regulations concerning working hours and rest periods, item nos 27-29.</p> <p>IT-security at the Danish National Police under the Ministry of Justice is still inadequate, item no. 44.</p>
The Ministry of Environment and Food	The Ministry of Environment and Food has not ensured effective physical checks of funding provided to programmes concerning area-based aid for organic farming and management of natural resources, item nos 38-40.

## Overview of audit findings

	Critical remarks	Other audit findings
Ministry of Taxation	<p>Collection of public debt is still a challenge to the ministry, section 2.1.</p> <p>The ministry is not complying with the regulations concerning addition of interest, section 2.2.</p> <p>The ministry is not instructing the police to impound number plates, section 2.2.</p>	<p>Five ministries violate regulations concerning working hours and rest periods, item nos 27-29.</p> <p>The ministry's administration of tax deducted from income at source and labour-market contribution is still inadequate, item nos 50-51.</p> <p>The Ministry of Taxation and the Ministry of Finance are not checking the European Commission's calculation of Denmark's contribution to the EU budget, item no. 53.</p> <p>The Ministry of Taxation still has not developed a function in the accounting system SAP to handle set-offs, item no. 54.</p>
Ministry of Health		<p>The Ministry of Health is overpaying medical specialist consultants, item no. 24.</p> <p>Still serious gaps in the IT security in the ministry, item no. 45.</p>
The Ministry of Transport, Building and Housing		<p>Five ministries violate regulations concerning working hours and rest periods, item nos 27-29.</p> <p>The IT security in the ministry has become less efficient, item no. 46.</p>
The Ministry of Foreign Affairs		<p>The ministry should strengthen its follow up on the Investment Fund for Developing Countries' administration of Danida Business Finance, item no. 37.</p>
The Ministry of Education		<p>Several ministries can improve their payroll administration, section 3.1.</p> <p>The ministry's supervision of salaries paid to headmasters is ineffective, item nos 30-35.</p>
The Ministry for Economic Affairs and the Interior		<p>Consultant physicians in the Zealand Region are automatically being paid for overtime without being entitled to receive such payment, item no. 25.</p> <p>The process for calling in part-time nurses should be optimised, item no. 26.</p> <p>Five ministries violate regulations concerning working hours and rest periods, item nos 27-29</p>