



Extract from the report to the
Public Accounts Committee on
the audit of the state accounts
for 2008

November
2009

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I. Opinion on the Danish state accounts

Introduction

1. Rigsrevisionen has audited the state accounts for the fiscal year 2008. The audit included an examination of the completeness of the state accounts and a comparison of the appropriation figures with the accounting figures, cf. the Auditor General's Act, section 17 (1).

Also EU funds in Denmark are encompassed by the audit. Each year, Denmark receives funds from the EU and settles duties, levies, VAT and GNI contributions to the EU's own resources. The audit of EU funds in Denmark is mentioned in the report to the Public Accounts Committee on the audit of EU funds in Denmark in 2008, which was issued in November 2009. EU funds represent significant income and expenditure and are attracting much interest from the European Commission and the European Parliament. Rigsrevisionen has therefore decided to work out a report on EU funds in Denmark.

2. With the issue of this opinion, Rigsrevisionen considers the audit of the state accounts completed. However, Rigsrevisionen may return to re-examine areas relating to this and previous accounting years, which may lead to disclosure of new information resulting in renewed evaluation of specific items that have been examined in this report.

The audit conducted

3. The audit was planned and conducted in accordance with generally accepted public auditing standards, including the International Standards of Supreme Audit Institutions (ISSAI) as issued by INTOSAI (the International Organisation of Supreme Audit Institutions). The audit performed by Rigsrevisionen was not limited to verification of the correctness of the state accounts, but included also examination of aspects relating to the administration's compliance with appropriations, legislation and other provisions, agreements made and general practice.

4. Based on an assessment of materiality and risk, Rigsrevisionen has examined, on a test basis, evidence relevant to the amounts and other information included in the state accounts. The audit of the state accounts was conducted as planned and ensured that all the information necessary to provide Rigsrevisionen with sufficient evidence to assess the state accounts was obtained. The audit approach etc., is described in more detail in chapter VI. Background information on the audit conducted.

Opinion

5. Rigsrevisionen has qualified its opinion with respect to the financial statements of SKAT (the tax authorities), the police and Prosecution Service, Defence Command Denmark, the Danish Road Directorate, and Naviair (provider of air navigation services). The observations made by Rigsrevisionen concern inadequate documentation of salary payments and personnel cases, cost escalation, uncertainty relating to accrued assets and associated book entries, cf. items 130-138, 175-181, 198-209.

6. Rigsrevisionen has also submitted supplementary information on the financial statements of the Danish Financial Supervisory Authority, SKAT, the Danish Maritime Safety

Administration, the Danish Agency for Science, Technology and Innovation, the Danish University and Property Agency, the Danish Food Industry Agency, Naviair and the Ministry of Transport, cf. items 113-116, 139-166, 210-216, 307-314, 315-317, 433-434, 454 and 467-469.

The audit has identified weaknesses in the accounting, and misstatements in the financial statements of a few other entities. These weaknesses and errors have affected the assessment of the accounting and accounts of these entities.

7. The observations made by Rigsrevisionen that concern uncertainty and errors, and the errors and weaknesses mentioned above, do not cause Rigsrevisionen to qualify its opinion on the total state accounts.

8. In the opinion of Rigsrevisionen, the state accounts for 2008 give a true and fair view, i.e. they are free from material misstatement and deficiencies. Rigsrevisionen is also of the opinion that overall, appropriate business procedures and internal controls have been established, which to the widest possible extent ensure that the transactions included in the financial statement are in compliance with appropriations, legislation and other provisions, agreements made and general practice.

Rigsrevisionen, 13 November 2009

Henrik Otbo
Auditor General

/Bettina Jakobsen
Assistant Auditor General

Opinion on vehicle excise duty under the state accounts section 38. Taxes and duties

9. Auditor General Henrik Otbo has in a letter to the President of the Folketing (parliament) of 7 September 2009 with reference to section 14 (1) ii and section 15 (3) of the Instruction for the Auditor General, declared that he is not qualified to handle the audit of vehicle excise duty under the state accounts section 38. Taxes and duties. The case is referred to in items 167-169 of the report. After the President of the Folketing had consulted with the Public Accounts Committee and the Vice-presidents, former auditor general, Mr. Jørgen Mohr, was appointed interim auditor general and authorized to handle the cases that Auditor General Henrik Otbo was not qualified to handle. The interim auditor general has therefore issued an opinion on the part of the state accounts that concerns SKAT in section 38. Taxes and duties.

10. In the opinion of the interim auditor general, the accounts for vehicle excise duty under the state accounts section 38. Taxes and duties are overall correct, i.e. free from material misstatement and deficiencies. The interim auditor general is also of the opinion that overall, appropriate business procedures and internal controls have been established, which to the widest possible extent ensure that the transactions included in the financial statement are in compliance with appropriations, legislation and other provisions, agreements made and general practice.

Rigsrevisionen, 13 November 2009

Jørgen Mohr
Interim Auditor General