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STATSREVISORERNE
RIGSREVISIONEN



Extract from Rigsrevisionen's report on

the construction of a veterinary laboratory on the grounds of the DTU

submitted to the Public Accounts Committee



1849
147.281
237
1976
114.6
22.480
908

1. Introduction and conclusion

1.1. PURPOSE AND CONCLUSION

1. This report concerns how the Technical University of Denmark (DTU) used funds for the building of a laboratory granted under Legal Document no. 77 25/4 2013. Funds were granted for the construction of new veterinary laboratory and stable facilities at the campus of DTU in Lyngby. The Danish Public Accounts Committee asked Rigsrevisionen to carry out the study in January 2018.

2. In doing so, the Public Accounts Committee met a request for audit assistance received from the Danish Finance Committee. In connection with the processing of Confidential Legal Document B, the Finance Committee could not obtain information about the spending of DKK 80.3 billion granted under Legal Document no. 77. The purpose of both legal documents was to finance the building of laboratory facilities for veterinary preparedness activities, among other things. In its request to the Public Accounts Committee, the Finance Committee states that it finds reason to examine whether the funds granted under Legal Document no. 77 have been used for construction activities on the grounds of the DTU.

3. According to Legal Document no. 77, building the new laboratory would constitute the last phase of the DTU's plans to achieve savings and upgrade the laboratories under the DTU's National Veterinary Institute by moving new and old institutions into one location. In the legal document, it was also stated, as a reason for building the laboratory, that the university is responsible for Denmark's veterinary preparedness, and the savings achieved were, therefore, also intended to contribute to creating economic balance in the DTU's performance of this task.

The new veterinary laboratory was to be financed partly through the so-called laboratory programme, partly from the DTU's own resources. The laboratory programme would contribute DKK 80.3 million and the DTU would cover the remaining expenditure of DKK 61.8 million. It follows that Legal Document no. 77 authorised the DTU to invest a total of DKK 142.1 million in the project. The Danish Building and Property Agency manages the laboratory programme.

4. Preparations for the construction of the laboratory (building no. 205B) commenced in December 2013. The construction work was delayed several times and in May 2017, the DTU decided to suspend the construction, because the DTU concluded that it could no longer be realised within the financial framework. The current state of play is therefore, that the DTU has not built the laboratory.

CONFIDENTIAL LEGAL DOCUMENT B

This was submitted to the Finance Committee on 29 September 2017 by the Ministry of Health, and it was approved on 23 November 2017. The legal document concerns the building of a new laboratory building on the grounds of Statens Serum Institut, intended to house Denmark's veterinary preparedness as from 2020.

VETERINARY PREPAREDNESS

Since 2007, the DTU has managed parts of the veterinary preparedness concerning research-based services provided to the Ministry of Environment and Food.

NUMBERING OF BUILDING NO. 205B

The veterinary laboratory has been numbered in different ways. In this report, the building will be referred to as building no. 205B in accordance with the information previously presented to the Danish parliament.

LABORATORY PROGRAMME

Funds from this programme are used to bring government laboratories up-to-date. Funds are contributed from a globalisation fund, surpluses generated from government property operations in the period from 2007 to 2010 and future surpluses generated from property operations. The funds are managed by the Danish Building and Property Agency.

5. The purpose of the study is to assess whether the DTU has used the full grant or part of the DKK 80.3 million grant from the laboratory programme in compliance with Legal Document no. 77. Furthermore, we have examined whether the Ministry of Higher Education and Science has kept the Finance Committee informed of significant changes to the construction of the laboratory at the DTU grounds.

CONCLUSION

Rigsrevisionen notes that the DKK 80.3 million from the laboratory programme granted under Legal Document no. 77, has not been used for construction of a veterinary laboratory at the DTU grounds. The Danish Building and Property Agency has informed Rigsrevisionen that it does not expect to transfer the DKK 80.3 million to the DTU to cover costs relating to the veterinary laboratory, but that the funds will remain available in the programme account.

The study shows that the construction of the veterinary laboratory was suspended and that the Danish Building and Property Agency therefore assess that the legal basis for transferring the funds was not present. The study also shows that the Danish Building and Property Agency assess that a new legal document must be submitted to and approved by the Finance Committee before the DKK 80.3 million can be paid out.

Furthermore, the study shows that the Ministry of Higher Education and Science was not required to inform the Finance Committee that the construction of the laboratory had been suspended.

The study also shows that when the Finance Committee processed Confidential Document B, the Committee asked for information concerning the use of the funds granted under Legal Document no. 77. In the opinion of Rigsrevisionen, and despite the fact that the Ministry of Higher Education and Science did provide additional information as requested by the Finance Committee, there was, at the time, reason to doubt that the DTU would use the funds to build the veterinary laboratory intended to house the veterinary preparedness until the end of 2019.

The Ministry of Higher Education and Science has informed Rigsrevisionen that the ministry expects to submit an informative legal document to the Finance Committee in the course of the first six months of 2018. This document will provide an update of the state of play concerning the DKK 80.3 million. Rigsrevisionen recommends that this document should include information on the suspension of the veterinary laboratory construction work and on the funds from the laboratory programme granted under Legal Document no. 77.