



FOLKETINGET
RIGSREVISIONEN



April 2023

Annual report and accounts 2022

Contents

Introduction	1
Our activities in 2022	2
Resources	5
Financial performance	7
Performance against targets set for 2022.....	10
2023 performance targets and expectations	13
Our people.....	14
Whistleblower mechanism.....	16
Climate accounts	17
Financial statements.....	18

Rigsrevisionen's annual report and accounts for 2022 is submitted to the Danish Public Accounts Committee in accordance with section 17 (4) of the Danish Auditor General Act.

Front page photo by Mick Haupt.

Introduction

It was with great pleasure that I in 2022 took up the position as auditor general of Rigsrevisionen; an organisation where staff and management see it as their most important task to contribute to improving public administration and ensuring that the government uses the taxpayers' money in accordance with the decisions of the Danish parliament (the Folketing).

We spent a good deal of time during the second half of 2022 developing a new strategy for Rigsrevisionen that sets the course for our work for the next five years. Staff and management of Rigsrevisionen as well as several external stakeholders provided input to the strategy that was launched around the turn of the year.

The strategy revolves around our wish to maximize the impact of our work and strengthen our position as a reliable source of information to the Danish parliament and society. I expect the implementation of the strategy to have a positive impact on our work already in 2023.

Rigsrevisionen audits the Danish government accounts (annual audit) and carries out major studies of the way public money is used. With effect from 2023, we intend to increase our visibility also in the minor agencies and institutions through onsite audit visits, and we shall devote more attention to the government's administration of areas that have a direct impact on the national economy of Denmark and are of importance to citizens as well as companies.

Rigsrevisionen is part of the parliamentary control in Denmark. What we do affects others, and consistently delivering high quality is – also for that reason – a priority for us. Our reports are developed in close collaboration with the auditees to help us obtain the required input and insight into the issue at hand. Every year, a panel of professors from Danish universities evaluate the quality of our reports. They look at whether we have defined and delimited the purpose of our studies appropriately and whether our conclusions come across as balanced and well-underpinned by our findings. Achieving a minimum rating of the quality as “satisfactory” by the panel is one of our annual performance targets. This target was achieved in 2022.

The peer review of Rigsrevisionen that was carried out in 2021 by a team of colleagues from the Norwegian, Swedish and Finnish supreme audit institutions resulted in several recommendations to improve our processes and audit approach. Many of the recommendations made by the review team that addressed quality assurance, planning of major studies, strategy for the audit of the public accounts and communication of our audit findings are addressed in our new strategy for 2023-2027.

Birgitte Hansen
Auditor General



Our activities in 2022

Rigsrevisionen is an independent institution under the Danish parliament and is part of the parliamentary control in Denmark. We keep an eye on how public money is spent and whether it is spent in accordance with the decisions of the Danish parliament. We also check that the public accounts are correct and that public authorities and other government funded agencies and bodies act in compliance with current legislation and rules and administer public money effectively, efficiently and economically.

Audit of the Danish public accounts for 2021

Financial audit, compliance audit and performance audit

Financial audit: Is the financial information presented in the financial statements correct?

Compliance audit Is the ministry operating in compliance with current rules and regulations?

Performance audit: Do the government undertakings have systems and processes in place to ensure that they operate in accordance with the principles of economy, efficiency and effectiveness?

Danish Public Accounts Committee

The six members of the committee are elected for a term of four years by the members of the Danish Parliament (the Folketing). Read more about the [Public Accounts Committee](#).

The audit of the Danish public accounts is Rigsrevisionen's core task. We perform the audit in accordance with the Danish standards of public-sector auditing (SOR) and good public-sector auditing principles. This means that the financial audit of the accounts also includes elements of compliance audit and performance audit.

The annual audit opinions formed on each ministerial remit include our conclusion on the audit of the financial statements of the various government agencies and bodies. We submit the annual [report on the audit of the public accounts](#) to the Danish Public Accounts Committee in August. The report includes our conclusion on the overall public accounts and highlights significant errors or material weaknesses detected during the audit.

With the exception of some errors and uncertainties affecting parts of the financial statements, the public accounts for 2021 were in all material aspects correct. However, combined the amounts affected by errors and uncertainties made up approx. 1% of the government's income and expenditure, which led to a qualified opinion concerning the accounting figures submitted by the Ministry of Industry, Business and Financial Affairs, the Ministry of Taxation, the Ministry of Health and the Ministry of Employment.

Rigsrevisionen also forms conclusions on the financial statements of the individual ministries. We qualified our opinion on parts of the financial statements submitted by the Ministry of Taxation, the Ministry of Health and the financial statements concerning taxes and fees. With the exception of these qualifications, the financial statements of the individual ministerial remits were in all material aspects correct and in accordance with the appropriations for 2021.

Audit of the government's administration in 2021

We report the most significant results of our compliance audit and performance audit of the government's financial statements in the [report on the audit of the government's administration](#), which we submit to the Public Accounts Committee in August.

In 2021, Rigsrevisionen reviewed 54 cases to determine whether the ministries administer funds in compliance with the rules and terms set by the Danish parliament. Rigsrevisionen did not detect any significant breaches or shortcomings except for a few cases administered by the Ministry of Taxation: the collection of green tax for motor vehicles, the collection of tax debt and fees and the establishment of systems and processes for collecting personal debt. Shortcomings of this nature compromise rule of law and indicate that the government is not performing its tasks effectively.

Major studies

Some of our major studies are carried out at the request of the Public Accounts Committee and others are initiated by Rigsrevisionen. In 2022, we published 19 major studies; four of these at the request of the Public Accounts Committee and 15 at our initiative.

Several of the studies concerned areas where the citizens' lives are directly affected by the government's administration:

Our report on *the administration of the disability area* – a request from the Public Accounts Committee – found that the Ministry of Social Affairs' supervision of the municipalities' administration of the disability area had been unsatisfactory and increased the risk that disabled citizens would not receive the services they were entitled to according to the Services Act.

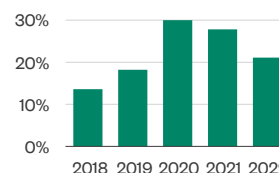
The report on *services delivered to long-term unemployed citizens* showed that 16% of the long-term unemployed and 31% of the activation-ready long-term unemployed were not offered statutory consultations with the job centres within the first six months of their unemployment. As regards activation, 19% of the job-ready long-term unemployed and 31% of the activation-ready long-term unemployed were not offered the statutory activation within the first six months of their unemployment period. The purpose of the statutory consultations and activation offers is to bring people out of unemployment and back into the labour market as quickly as possible.

Lastly, our report on *the district courts' processing of criminal cases* found that the average case processing time for ordinary criminal cases had increased from 111.5 days in 2016 to 196.5 days in 2021, corresponding to an increase of 76.2%. Due to the long processing time, several convicted persons had their sentences reduced because their cases had not been processed within a reasonable timeframe.

Read our reports on major studies and our reports on the audit of the public accounts and the government's administration on www.rigsrevisionen.dk. A complete list of reports published in 2022 can be found on the last page of this report.

Requests by the Public Accounts Committee

Every year, the Public Accounts Committee asks us to look into specific issues or policy areas. In 2022, 21% of all reports were initiated at the committee's request against 28% in 2021.



Other audit assignments

In accordance with the provisions of the Auditor General Act, Rigsrevisionen also audits the financial statements of a number of public enterprises that are not included in the public accounts. In 2022, this audit assignment included DSB (national rail company), DR (national TV and radio broadcasting company) and Metroselskabet (company responsible for the development, construction and operation of the metro system in Copenhagen).

At the request of the Ministry of Defence and NATO, Rigsrevisionen also audits NATO Headquarters Multinational Division North and NATO Headquarters Multinational Corps Northeast (new assignment in 2022). In addition to these, the cooperation established between Denmark, Norway, Sweden, Iceland, the Faroe Islands, Greenland and Aaland requires us to audit the Nordic Council of Ministers (including offices in Tallinn, Riga, Vilnius and Saint Petersburg), the Nordic Council and the Nordic Culture Fund, because the provisions of the Nordic audit regulations prescribe that the country hosting the headquarters of the Nordic cooperation, as Denmark is, also audits the financial statements of the three institutions.

The audit of the financial statements of the Nordic Council of Ministers and the financial statements of nine of the ten dioceses (a district under the care of a bishop) that are managed by the Diocesan Council under the Ecclesiastical Affairs resulted in qualifications regarding business procedures and internal controls (the Nordic Council of Ministers) and incorrect entering of a value adjustment relating to securities (the nine dioceses). The financial audit of the other enterprises did not lead to any qualifications.

Rigsrevisionen also issues opinions to government recipients of EU funding. These opinions include assessments of whether the financial statements present a fair view of the recipients' expenditure and income in connection with the implementation of EU-funded projects.

The members of the Public Accounts Committee are informed once a year about changes to Rigsrevisionen's work programme.

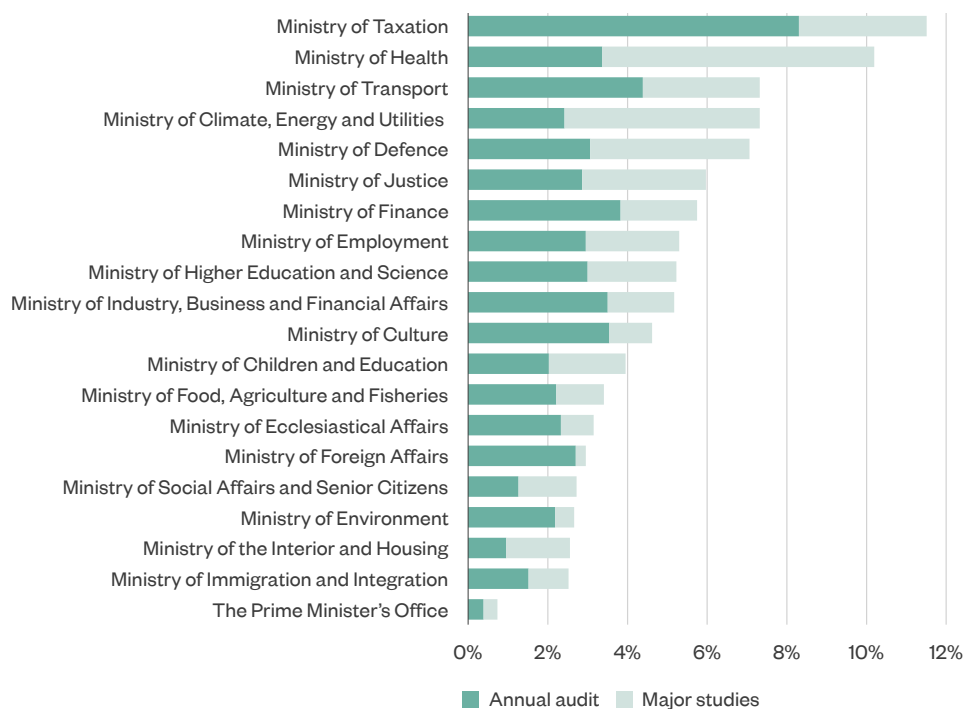
Resources

In 2022, Rigsrevisionen allocated its resources based on:

- assessment of materiality and risk;
- strategic commitments;
- the complexity of the ministerial remits and the number of bodies audited within each remit.

The figure below shows how we allocated our resources in 2022 broken down on *annual audit* (audit of the public accounts and the government's administration, and other auditing tasks) and *major studies*.

Allocation of resources in 2022



Note: Auditing resources are allocated based on time records.

In 2022, most of our resources went to the audit of the Ministry of Taxation (11.5%), the Ministry of Health (10.2%), the Ministry of Transport (7.3%) and the Ministry of Climate, Energy and Utilities (7.3%).

Considering that the Ministry of Taxation manages most of the revenue that finances the public sector in Denmark, it is not surprising that the ministry tops the list again this year; it has done so since 2013 when we first presented this figure in the annual report. In 2022, we spent 8.3% of our resources on the annual audit of the ministry and 3.2% on carrying out major studies in the tax area, including a report on *the ministry's compliance checks of large company corporation tax*.

We spent 3.4% of our resources on annual audit of the Ministry of Health and 6.8% on major studies in the health sector. We submitted three major studies to the Public Accounts Committee that dealt with issues in the health sector: *the hospital preparedness before and during the 1st wave of COVID-19*, *the regions' management of hospital building maintenance* and a cross-government study of *five government authorities' compliance with 20 technical minimum information security requirements*. The latter included the Ministry of Justice, the Ministry of Food, Agriculture and Fisheries and the Ministry of Climate, Energy and Utilities.

We allocated 4.4% of our resources to the annual audit of the Ministry of Transport and 2.9% to major studies of issues in this area. One of the reports submitted to the Public Accounts Committee concerned *the ministry's management of the planning phase of the Femern Belt Link*.

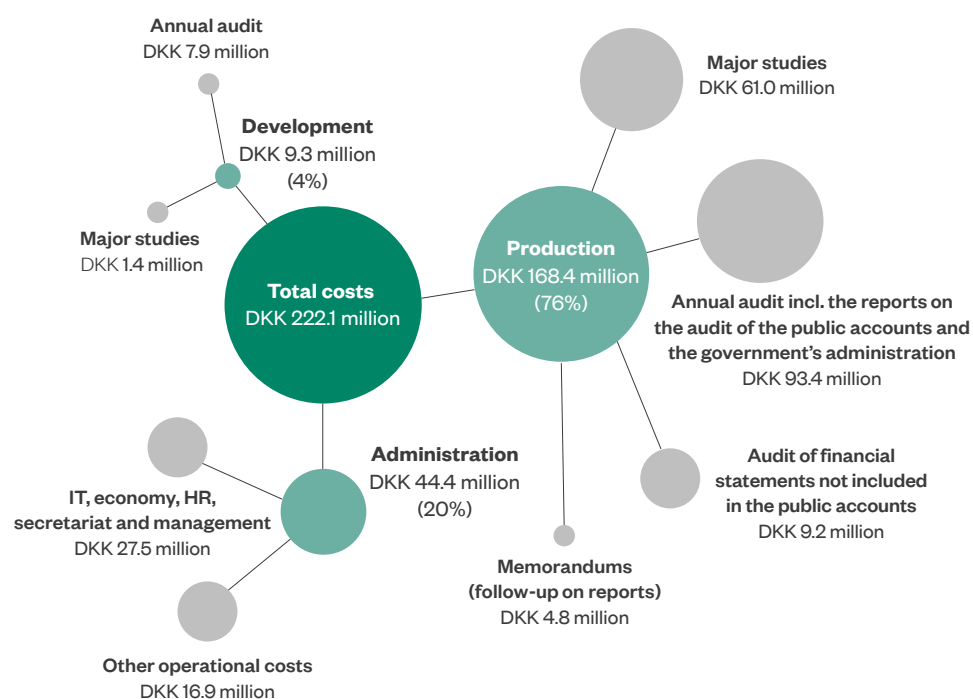
For the first time in five years, the Ministry of Climate, Energy and Utilities has climbed up the list to a position as one of the ministerial remits to which we allocate many of our resources. As in previous years, approx. 2.4% of our resources went into the annual audit. However, the completion of the report on *Energinet's outsourcing of critical IT infrastructure operations services* and the cross-government report on *five government authorities' compliance with 20 technical minimum information security requirements* absorbed 4.9% of our resources in 2022 against 2.0% in 2021.

Financial performance

Rigsrevisionen's budget for 2022 was DKK 227.7 million. We spent just under DKK 222.1 million, with staff costs accounting for DKK 180.5 million and operating costs for DKK 41.6 million.

The result for the year was a surplus of DKK 5.6 million, consisting of positive variances compared to budget in staff costs and operating costs of DKK 5.3 million and DKK 0.3 million, respectively. A high employee turnover rate combined with a competitive labour market account for the positive variance in staff costs as it has been difficult for us to fill vacancies as quickly as we would have liked, and we have, therefore, had fewer people employed in 2022 than planned.

How we spent our money in 2022



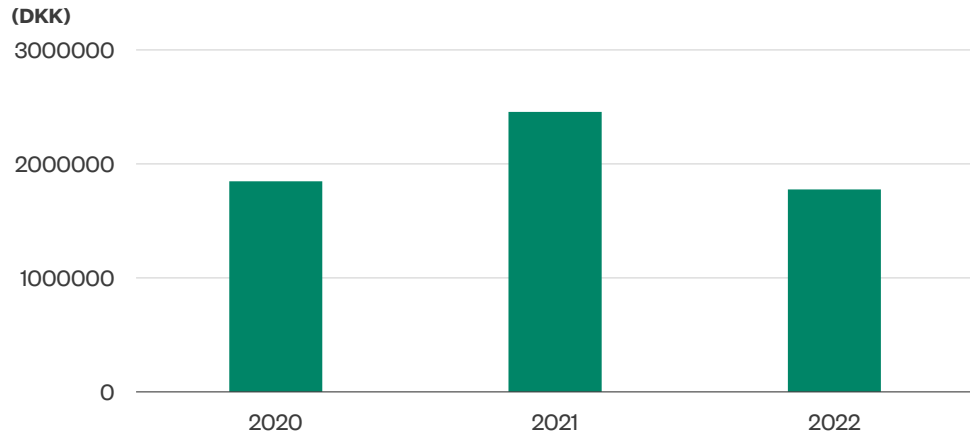
In 2022, as in 2021, 76% of our total costs went into major studies and the annual audit. Costs for development projects concerning major studies and the annual audit were DKK 9.3 million in 2022 against DKK 6.7 million in 2021.

Administration (IT, economy, HR, secretariat, management and other operating costs) accounted for 20% of total costs in 2022 against 21% in 2021.

Unit costs

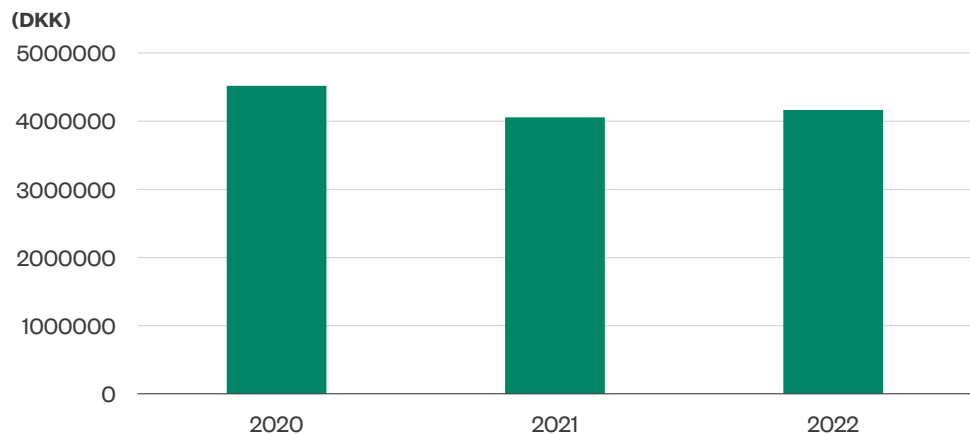
Unit costs include production time, operating costs and overhead.

Costs of the report on the audit of the public accounts and the report on the audit of the government’s administration



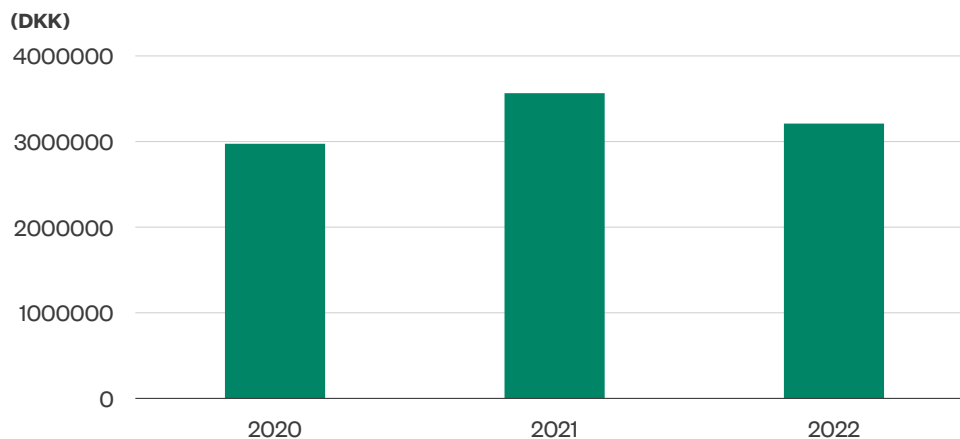
Costs for the report on the audit of the public accounts and the report on the audit of the government’s administration were DKK 1.8 million in 2022 and thus largely at level with 2020. Production costs were extraordinarily high in 2021 due to a one-off investment in a general improvement of our communication of audit findings in the two reports.

Unit cost of annual audit by ministerial department



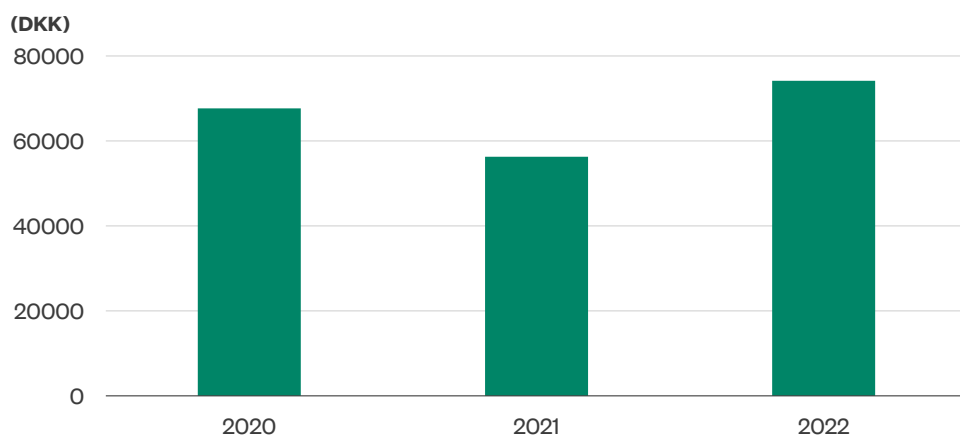
Unit cost of the annual audit by department has increased marginally from DKK 4.1 million in 2021 to DKK 4.2 in 2022.

Unit cost of major studies













Rigsrevisionen submitted 19 major studies to the Public Accounts Committee in 2022 against 18 in 2021. Therefore, the unit cost per report decreased from DKK 3.6 million in 2021 to DKK 3.2 million in 2022. Fewer major studies were shut down mid-process in 2022 than in 2021, which also had a positive impact on costs.

Unit cost of memorandums



In 2022, the unit cost of a memorandum was approx. DKK 74,000. Most memorandums are worked out in response to the ministers' accounts of how they intend to address criticism raised by the Public Accounts Committee and Rigsrevisionen and as follow-up on actual initiatives launched to address the criticism. We submitted 65 memorandums of this nature to the Public Accounts Committee in 2022 and three administrative memorandums. Comparing the cost of memorandums can be difficult because the individual studies we follow up on are often very different in terms of their complexity, scope, etc. The unit cost of memorandums was approx. DKK 18,000 higher in 2022 than in 2021.

Performance against targets set for 2022

 <p>25%</p> <p>Target: Minimum 25% of our major studies address issues that concern more than one government department.</p>	<p>16%</p> <p>Three of the 19 reports submitted to the Public Accounts Committee concerned more than one government department.</p> 
 <p>3</p> <p>Target: Three of our reports identify potential for improving the economy, efficiency and effectiveness of the administration (the three E's).</p>	<p>3</p> <p>Three of our reports identified potential for improving the economy, efficiency and effectiveness of the administration.</p> 
 <p>18</p> <p>Target: The technical quality of our reports receives a minimum rating of satisfactory by the external evaluators.</p>	<p>18*</p> <p>18* reports received a minimum rating of satisfactory by the external evaluators.</p> 
 <p>2</p> <p>Target: The technical quality of the report on the audit of the public accounts for 2021 and the report on the audit of the government's administration in 2021 receive a minimum rating of satisfactory by an external evaluator.</p>	<p>2</p> <p>The technical quality of the report on the audit of the public accounts for 2021 and the report on the audit of the government's administration in 2021 was rated very satisfactory.</p> 
 <p>90%</p> <p>Target: 90% of all unresolved issues in our reports on major studies must be addressed by the relevant minister within the three-year deadline.</p>	<p>48%</p> <p>48% of all unresolved issues in our reports on major studies were addressed to the satisfaction of the auditor general within the three-year deadline.</p> 

* Our report on cyber security resilience in the public sector has not been evaluated. The external evaluator looked only at a brief public version of the confidential report and concluded that it did not do justice to the full version. He therefore refrained from delivering a full appraisal of the report.

Cross-government reports

We strive to ensure that a minimum of 25% of our reports on major studies look across government departments, meaning that they address issues that concern more than one ministerial remit. We look at how different departments solve a specific task to determine the benefits and drawbacks of the various practices and share this knowledge across the departments. In 2022, we submitted three cross-government reports to the Public Accounts Committee. We should have published two more reports of this type, but both were postponed to 2023. Thus, only 16% of our reports looked at issues across the government.

Reports with particular focus on economy, efficiency and effectiveness

Reports that focus on whether the government and regions spend public money in accordance with the three E's (economy, efficiency and effectiveness) contribute to the transparency of public spending. In 2022, we published three such reports in accordance with the target set.

Evaluation of the technical quality of our major studies

All our reports are evaluated annually by an external panel of well-reputed scientists. The evaluators rate the reports on a scale ranging from less satisfactory to very satisfactory. In 2022, 18 of our reports received a minimum rating of satisfactory, and we achieved the target set. The confidential report on the cyber security resilience of the public sector was exempted from evaluation.

Evaluation of the technical quality of our reports on the audit of the public accounts and the government's administration

Professor Kim Klarskov Jeppesen from Copenhagen Business School evaluated the technical quality of these two reports. They both received a rating of very satisfactory, and we achieved the target set for 2022.

Read more about the external evaluation of our reports on www.rigsrevisionen.dk.

Addressing unresolved issues in the major studies

When we have submitted our reports to the Public Accounts Committee and the members of the committees have added a section with their comments, the relevant ministers prepare a report in which they describe how they intend to address the issues that we have highlighted in the reports. When all issues have been resolved, the Public Accounts Committee decides that the case can be closed and no further follow-up will be required. The share of issues that are resolved is an important indicator of the impact of our work.

However, the complexity of the issues – let alone their solution – makes it quite difficult to close all unresolved issues within a deadline of three years. In 2022, 48% of all unresolved issues were addressed by the ministries within the deadline of three years, and the target of 90% was thus not achieved. For the past five years, the rate of achievement of this performance target has varied between 50% and 80%. For 2023, we have adjusted the target and extended the deadline from three years to 4 years. At the same time, however, we have increased the target from 90% to 95% and decided to follow up the first time after two years, at the latest, instead of after three years as has so far been our practice.

Reports with focus on economy, efficiency and effectiveness published in 2022

- Absence in vocational education and training (VET) schools
- The cyber security resilience of the public sector
- Pilotage in Danish waters.

Panel of external evaluators in 2022

- Professor Michael Svarer – *Department of Economics and Business Economics, University of Aarhus*
- Professor Jan Pries-Heje – *Department of People and Technology, University of Roskilde*
- Professor Lene Holm Pedersen – *Department of Political Science, University of Copenhagen*
- Associate Professor Caroline Howard Grøn – *Department of Political Science, Aarhus University*
- Professor Michael Gøtze – *Department of Law, University of Copenhagen.*

Production, activities and results in 2022

The nine key performance indicators listed below provide an overview of Rigsrevisionen's production and results in 2022. Figures for 2021 are indicated in brackets.



21 (20)

reports submitted to the Public Accounts Committee including the Report on the audit of the public accounts and the Report on the audit of the government's administration.



1,837 (1,577)

So many times, did the media refer to Rigsrevisionen's reports and audit findings.



68 (68)

memorandums submitted to the Public Accounts Committee.



76% (76%)

of our funds went into delivering our core services.



22* (22)

audit opinions issued on the public accounts.



1,011,933

(791,660)

visits to our website.



83 (59)

audit opinions were issued on financial statements concerning government bodies and enterprises, that are not included in the public accounts, and on EU project accounts.



25**

times were our reports on the agenda of relevant committee meetings in the Danish parliament.



3.9 (3.8)

out of a maximum of 5. This is how the auditees scored our work processes and communication in the annual client survey.

* In addition to these opinions, Rigsrevisionen also issues an audit opinion on the overall Danish public accounts.

** We have not previously kept records of the number of times that the committees under the Danish parliament have had our reports on the agenda.

2023 performance targets and expectations

We have defined five targets for 2023 that support our strategy for 2023-2027. Three of the targets are the same as in 2022 and two are new.

The professional quality of all our reports is rated satisfactory by a team of external evaluators.

95% of all unresolved issues in our major studies must be addressed by the relevant minister within a four-year deadline, and we follow up on progress no later than two years after having received the minister's response to issues raised

In addition to visiting major enterprises in connection with the annual audit, we will also - as a pilot project - visit 20 medium-sized/small government enterprises in 2023.

25% of our major studies focus on issues that concern more than one government department.

The quality of our communication in selected reports is rated satisfactory by an external evaluator.

Our people

Recruitment and employee attachment

Like the private auditing firms and ministries, Rigsrevisionen has, in recent years, struggled to fill vacancies. However, in 2022 we succeeded in recruiting 49 well-qualified candidates and we increased the share of new employees with more than five years of relevant experience (mainly from the public sector) from 14% in 2021 to 40% in 2022.

With a staff turnover rate of 17.2% in 2021 against 17.9% in 2022, increasing staff's sense of attachment to Rigsrevisionen is a priority. We have taken the following steps to achieve that goal:

- A personal contact for support is assigned to all new hires to help them find their feet in the organisation.
- We conduct exit interviews to learn how we can increase staff's sense of attachment, and we ask all resigning employees to complete a questionnaire about the factors that influenced their decision to leave Rigsrevisionen.

Our people in numbers

	2018	2019	2020	2021	2022
Staff					
Full-time equivalents	280	287	273	266	267
Staff turnover (excluding student assistants)	10.7%	10.4%	11.0%	17.2%	17.9%
Sickness absence (days)					
Per full-year equivalent	6.8	5.7	3.5	5.0	7.3
Excluding long-term sickness per full-year equivalent	4.0	4.0	2.8	3.6	4.9
Distribution by gender					
Females	55.9%	52.5%	52.0%	52.0%	54.0%
Men	44.1%	47.5%	48.0%	48.0%	46.0%
Female managers	45.8%	45.8%	45.8%	45.8%	54.2%

At year-end, we had 267 full-time equivalents (FTE) against the planned 275. The reason for the gap is mainly the fact that recruitment takes place in a market with low supply and high demand.

Staff turnover also increased in other government institutions in 2022 and is now, on average, 15% for all government institutions and 26.8% for the government departments (source: ISOLA).

Compared to 2021, sickness absence increased by 2.3 days to an average of 7.3 days per FTE in 2022, as both long-term and short-term absence rates went up. The average sickness absenteeism for the government departments was also 7.3 days in 2022 against 10.5 days for all government institutions (source: ISOLA).

In 2021, 52% of all employees were females; in 2022, this number increased to 54%. The share of female managers increased from 45.8% in the previous four years to 54.2% in 2022.

Other HR-related matters

The temporary option to work from home one fixed day a week was introduced in August 2021 and is now a permanent option for all staff. The arrangement is to be assessed every second year – the first time at the end of 2024 – to ensure that it is consistently aligned with the needs of the organisation and matches the general practice for remote work in the state.

Whistleblower mechanism

In accordance with requirements set out in the EU Whistleblowing Directive 2019, the Danish Parliament passed a bill on the protection of whistleblowers on 24 June 2021.

The purpose of the whistleblowing directive is:

- to encourage employees and others to make good faith reports of suspected fraud, corruption, or other improper governmental activity without fear of repercussions;
- to protect individuals who report such information to the whistleblower mechanism;
- to detect errors and omissions and thus contribute to enhancing the quality of public services.

Activity report 2022

The Whistleblower Protection Act requires all authorities to publish a minimum of one annual activity report on whistleblower reports received. Rigsrevisionen publishes this information in our Annual report and accounts.

Rigsrevisionen received nine reports in 2022. One of these was processed and closed in accordance with our guidelines. The remaining eight reports fell outside the framework of the whistleblower mechanism, i.e. they were not submitted by employees in Rigsrevisionen, by any of the institutions and enterprises audited by us, or by any of our co-auditors.

Climate accounts

	2019		2020		2021		2022	
	Consumption	CO ₂ -emission	Consumption	CO ₂ -emission	Consumption	CO ₂ -emission	Consumption	CO ₂ -emission
Electricity (200 grams per kWh)	240,910 kWh	48 tons	182,132 kWh	36 tons	187,785 kWh	38 tons	223,665 kWh	45 tons
Official journeys, own car (133 grams per kilometre per passenger)	14,365 km	2 tons	17,348 km	2 tons	13,650 km	2 tons	17,737 km	2 tons
Train journeys (34.5 grams per transport krone)	DKK 196,250	7 tons	DKK 65,000	2 tons	DKK 67,950	2 tons	DKK 116,250	4 tons
Air transport, short haul	82,380 km	13 tons	32,807 km	4 tons	16,322 km	2 tons	48,484 km	6 tons
Air transport, medium haul	145,595 km	12 tons	12,393 km	1 ton	26,487 km	2 tons	95,209 km	8 tons
Air transport, long haul	236,194 km	27 tons	20,864 km	2 tons	36,200 km	3 tons	297,193 km	22 tons
Total		109 tons		47 tons		49 tons		87 tons

Note: Emission related to air transport is based on calculations made by our travel agency Carlson Wagonlit.

Rigsrevisionen almost doubled its CO₂-emission in 2022 compared to 2021: from 49 tons to 87 tons. Air transport is the main reason for the increase and is with a total CO₂-emission of 36 tons in 2022 closing in on 2019 (52 tons). We used almost 19% more electricity in 2022 than in 2021 but still a good 7% less than in 2019.

All elements in the climate accounts are monitored regularly to determine, for instance, whether our effort to reduce CO₂-emission are successful.

In November, we launched a sustainability campaign to raise awareness of our use of electricity, water, heating and waste of food. A waste sorting system was implemented early in 2023.

Increasing the sustainability of our organisation will also be a priority for Rigsrevisionen in 2023, and we shall take up ESG reporting (environmental, social and governance data) as an element in our management information system.

Financial statements

Rigsrevisionen's financial statements 2022

Statement of income and expenditure

(DKK '000)	Note	Actual 2021	Budget 2022 (not audited)	Actual 2022	Budget 2023 (not audited)
Ordinary operating income:					
Appropriation		(220,900)	(227,700)	(227,700)	(235,300)
<i>Sale of goods and services:</i>					
External sale of goods and services	3	(16)	(30)	(11)	(20)
Total ordinary operating income		(220,916)	(227,730)	(227,711)	(235,320)
Ordinary operating expenditure:					
<i>Consumption expenditure:</i>					
Rent		13,521	13,500	13,710	14,100
Total consumption expenditure		13,521	13,500	13,710	14,100
<i>Staff costs:</i>					
	7				
Salaries		152,491	163,220	158,057	165,871
Other staff costs		201	215	(1,631)	220
Pension		25,486	24,959	26,112	27,109
Salary refunds		(2,993)	(2,594)	(2,047)	(2,000)
Total staff costs	6	175,185	185,800	180,492	191,200
Amortisation, depreciation and write-downs	2	3,815	2,600	3,107	3,100
Inter-government purchase of goods and services		1,027	950	1,036	1,050
Other ordinary operating expenditure		21,912	24,680	23,472	25,550
Total ordinary operating expenditure		215,460	227,530	221,816	235,000
Result of ordinary operations		(5,456)	(200)	(5,895)	(320)
Result before financial items		(5,456)	(200)	(5,895)	(320)
<i>Financial items:</i>					
Financial expenditure		293	200	266	320
Result before extraordinary items		(5,164)	0	(5,629)	0
Extraordinary income		0	0	0	0
Extraordinary expenditure		0	0	0	0
Result for the year		(5,164)	0	(5,629)	0

Note: Signs used in the statement of income and expenditure follow the practice used in the government's consolidation and reporting system (SKS).

Balance sheet

(DKK '000)	Note	31 December 2021	31 December 2022
ASSETS:			
Fixed assets:			
<i>Tangible fixed assets:</i>			
Leasehold improvements		541	430
Furniture and IT equipment		5,247	6,518
Total tangible fixed assets	2, 6	5,788	6,949
<i>Financial assets investments:</i>			
Government guarantee	9	3,378	3,378
Total fixed assets:		9,166	10,327
Current assets:			
Receivables		6,159	4,391
<i>Cash:</i>			
Non-interest-bearing account		53,669	42,114
Funding account		(12,449)	5,820
Total cash funds		41,220	47,934
Total current assets		47,379	52,326
Total assets		56,545	62,652
LIABILITIES:			
<i>Equity:</i>			
Adjusted equity (opening balance)		(3,378)	(3,378)
Surplus carried forward	8	(27,770)	(33,399)
Total equity		(31,148)	(36,777)
Provisions	4	(4,866)	(3,277)
<i>Long-term liabilities:</i>			
Long-term debt		(4,894)	(5,655)
Total long-term liabilities		(4,894)	(5,655)
<i>Short-term liabilities:</i>			
Goods and services		(2,482)	(3,935)
Other short-term debt:		(4,437)	(4,612)
Holiday allowance and overtime pay, etc.	5	(8,718)	(8,397)
Total short-term liabilities		(15,637)	(16,944)
Total liabilities		(56,545)	(62,652)
Accounting policy applied	1		

Note: Signs used in the balance sheet follows the practice used in the government's consolidation and reporting system (SKS).

Distribution of surplus

(DKK '000)	
Result for the year	5,629
Surplus cancelled	0
Surplus carried forward	5,629

Equity

(DKK '000)	2021	2022
Equity, opening balance	(25,984)	(31,148)
Opening balance adjustment	(3,378)	(3,378)
Changes to adjusted equity	0	0
Closing equity value adjustment	(3,378)	(3,378)
Value of surplus carried forward, opening	(22,606)	(27,770)
Result for the year	(5,164)	(5,629)
Value of surplus carried forward, closing	(27,770)	(33,399)
Equity, closing	(31,148)	(36,777)
Equity as per balance sheet	(31,148)	(36,777)
Equity as per balance sheet less equity	0	0

Income and expenditure - pensions

(DKK '000)	2021	2022	Budget 2023 not audited
Ordinary operating income:			
Net appropriation	(9,200)	(9,100)	(9,400)
Operating grants	(1,226)	(1,249)	(1,300)
Total ordinary operating income	(10,426)	(10,349)	(10,700)
Ordinary operating expenditure:			
Other staff costs	10	10	0
Pension costs	10,520	10,558	10,700
Total ordinary operating expenditure	10,530	10,568	10,700
Result of ordinary operations	104	220	0
Result before financial items	104	220	0
Result before extraordinary items	104	220	0
Result for the year	104	220	0

Balance sheet - pensions

(DKK '000)	Note	31 December 2021	31 December 2022
ASSETS:			
Current assets:			
Receivables		0	0
Total current assets		0	0
Total assets		0	0
LIABILITIES:			
Equity		103	95
Total equity		103	95
Total long-term debt		0	0
Other short-term debt		103	95
Total short-term debt		103	95
Total liabilities		0	0
Pension benefit obligations	10		

Notes to the financial statements

Note 1. Accounting policy applied

The financial statements are presented in accordance with the accounting standards applying to Rigsrevisionen. Rigsrevisionen's appropriation accounts are accrual-based, whereas the accounts for Rigsrevisionen's pension payments are cost-based. The accounting policy applied is identical to the policy applied to similar government appropriations.

The accounting year is the tax year. In the income statement, income is recognised when earned and expenditure is recognised when consumed. However, when goods delivered are not stocked and operating equipment is not capitalised, then the accrual accounting principles are used in combination with the principle of legal claim.

Rigsrevisionen has in some cases prepaid or paid suppliers early in accordance with specific CO-VID-19 regulations that allow government bodies to deviate from the general government budget guidelines.

The balance sheet shows Rigsrevisionen's total assets and liabilities.

The accounting policy applied is the same as in previous years.

Expenditure is accrued as follows:

- Payroll costs are expensed as incurred.
- Holiday allowance and provisions for accumulated overtime are expensed once a year.
- Consumption of goods and services, taking place within the same tax year and 12 months after delivery or the performance of the work, is recognised upon delivery or when the work has been performed.
- Tangible assets are included in the balance sheet when the asset has a value above DKK 50,000. The life of the assets is determined in accordance with government rules.
- For liabilities that do not concern the delivery of goods and services, a provision or a short-term liability is recorded when a legally binding event has occurred and the liability has become plausible and can be estimated.

Income is recognised when a service has been provided and a legal entitlement to receive payment has been obtained.

Provisions concern holiday allowance, overtime payment, severance payment and maintenance of the leased office space, which, in accordance with the leasehold contract, must be maintained to the level required by the property owner, should the lease be terminated.

Current pension payments made to public officials are expensed. No provisions for future pension benefits are made in the balance sheet. Still, payroll is charged with expenditure equal to a technical pension benefit provision. The pension benefit obligation for 2022 referred to in note 10 is based on an actuarial estimate carried out in 2021.

Data from Navision Stat, LDV, SKS and SB provides the basis for Rigsrevisionen's financial statements.

Figures in the financial statements may be rounded.

Note 2. Tangible fixed assets

(DKK '000)	Buildings	IT equipment	Furniture and fittings	Total
Cost, opening balance	4,354	13,672	1,936	19,962
Additions during the year	0	4,268	0	4,268
Disposals during the year	0	0	0	0
Cost, closing balance as at 31 December 2022	4,354	17,940	1,936	24,230
Accumulated depreciation as at 31 December 2022	(3,923)	(11,489)	(1,869)	(17,281)
Net asset value as at 31 December 2022	431	6,451	67	6,949
Depreciation during the year	(111)	(2,979)	(17)	(3,107)

Rigsrevisionen has no intangible assets. Tangible fixed assets relating to buildings are leasehold improvements of the premises leased by Rigsrevisionen. IT equipment accounts for the majority of the fixed assets. Additions during the year are the procurement of iPhones and servers.

The government guarantee of DKK 3.4 million represents Rigsrevisionen's financial assets. The amount is the same as in 2020 (note 9).

Note 3. Sale of services

Rigsrevisionen charges a fee for making external presentations at conferences etc. The sale of used furniture also generates income. The pricing policy applied appears from Rigsrevisionen's accounting instructions.

Note 4. Provisions for maintenance

Rigsrevisionen leases 6,523 square meters of office space. We have in 2022 made a provision of DKK 750,000 for the refurbishment of the office space. Provisions for future refurbishment are made for a ten-year period that began in 2018. The total provision has been calculated based on the landlord's estimated expenditure of DKK 850 per square meter. The provision made for refurbishment was DKK 3 million by the end of 2022, and the total provision is thus DKK 3.3 million.

Note 5. Holiday allowance and overtime pay

Holiday allowance

Rigsrevisionen's provision for holiday allowance is DKK 8.4 million and thus on level with 2021 (DKK 8.7 million).

Overtime

Overtime (hours) in 2022 was also on level with 2021. The addition to this year's provision was only DKK 0.1 million, increasing the total provision for 2022 to DKK 1.2 million.

Total staff-related provisions make up DKK 9.6 million.

Note 6. Utilisation of borrowing limit

Rigsrevisionen depreciates fixed assets on a monthly basis and makes relevant cash transfers on the respective SKB bank accounts (government payment system).

	2022
Total fixed assets	DKK 6,948,659
Borrowing limit	DKK 7,500,000
Utilisation rate	92.6%

Note 7. Payroll cap

(DKK '000)	Accumulated savings opening balance 2022	Actual 2022	Accumulated savings closing balance 2022
Payroll cap	-	185,800	-
Salaries paid	-	180,492	-
Variance		5,308	
Carried forward from previous years	16,412		21,720

Rigsrevisionen is required to keep within a payroll cap and keep staff costs within the limit indicated in the Finance Act. However, subject to approval by the Folketing, Rigsrevisionen may exceed the limit by carrying forward savings in salaries from previous years.

In 2022, staff turnover was very high in Rigsrevisionen – as it was in the public sector in general. The number of months passing from an employee leaves until a new employee starts has resulted in a positive variance of DKK 5.3 million between the payroll cap and actual salary costs. The positive variance is carried forward to subsequent fiscal years and increase accumulated savings to DKK 21.7 million.

Note 8. Appropriation accounts

(DKK million)	Actual 2021	Finance Act/ additional appropriation 2022	Budget 2022 (not audited)	Actual 2022	Variance 2022	Budget 2023 (not audited)	Finance Act 2023
Net appropriation	220.9	227.7	227.7	227.7	0.0	235.3	235.3
Income	0.0	0.0	0.0	0.0	0.0	0.0	-
Expenditure	215.8	227.7	227.7	222.1	5.6	235.3	235.3
Result for the year	5.2	0.0	0.0	5.6	5.6	0.0	0.0
<i>Accumulated result:</i>							
Accumulated surplus opening balance 2020				27.8			
Result for the year				5.6			
Accumulated surplus to be carried forward				33.4			

The positive variance compared to budget of DKK 5.6 million consists of a positive variance in operations of DKK 5.3 million and a positive variance in operating expenditure of DKK 0.3 million.

Note 9. Government guarantee and opening balance equity

The adjusted opening balance represents the funding allocated to Rigsrevisionen by the Danish government to cover potential shortfalls. The value of the adjusted opening balance and the government guarantee corresponds to the limit of fluctuation set for Rigsrevisionen's accumulated deficit. The opening balance is an immaterial asset that is offset in the balance sheet by the government guarantee. The government guarantee makes up 2 per cent (DKK 3.4 million) of the 2006 gross expenditure.

Note 10. Pension benefit obligation

(DKK million)	As per 31 December 2021	As per 31 December 2022
Pension benefit obligation	336.9	215.5

Rigsrevisionen's aggregate pension benefit obligations to current public officials (including the capital value of any future increase in retirement age) and retired public officials was DKK 215.5 million as of 31 December 2022. As of 31 December 2021, the pension benefit obligation was DKK 336.9 due to the development in interest rates in 2022.

Rigsrevisionen's pension benefit obligation is recalculated every fifth year by an actuary. In the intervening years, the value is adjusted only for civil servants who no longer receive a pension. Considering the economic development since 2020, when the latest recalculation was made, Rigsrevisionen decided to have the obligation recalculated in 2022.

Management statement

Today the management of Rigsrevisionen presented the annual report and financial statements for 2022 for primary account no. 03.31.11. Rigsrevisionen, and for subsidiary account no. 03.41.01.60. Rigsrevisionen's pensions. The financial statements have been prepared under the accounting provisions applicable to Rigsrevisionen and form an integral part of the financial statements of the Folketing.

We confirm that:

- the annual report is correct, i.e. free from material misstatement or omissions, and that target setting and reporting are adequate;
- the transactions included in the financial statements are consistent with appropriations granted, legislation and other regulations, agreements made and generally accepted practice;
- the business procedures established ensure financially appropriate administration of the funding for which the financial statements are presented.

Copenhagen 11 April 2023

Birgitte Hansen
Auditor General

Nanna Henning
Assistant Auditor General

The independent auditor's opinion

To the Presidium of the Folketing

Conclusion

We have audited the financial statements of Rigsrevisionen for the financial year 1 January - 31 December 2022 that comprise income statement, balance sheet and disclosures, including summary of significant accounting policies on pages 18-26. The financial statements are prepared in accordance with the accounting provisions applicable to Rigsrevisionen and form an integral part of the financial statements of the Folketing.

In our opinion, the financial statements are, in all material aspects, correct. The financial statements have been prepared in accordance with the accounting provisions applicable to Rigsrevisionen and form an integral part of the financial statements of the Folketing.

Basis for opinion

We conducted our audit in accordance with international auditing standards and additional provisions applicable in Denmark, and the public-sector auditing standards as the audit is conducted on the basis of the provisions of the audit instructions issued by the Presidium of the Folketing to the auditor of the Folketing. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Folketing in accordance with international ethical principles for auditors (IESBA's ethical standards) and any additional provisions applicable in Denmark, and we have fulfilled our other obligations in accordance with these ethical standards and requirements. In our opinion, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

The income and expenditure statement and note 8 for the financial year 1 January - 31 December 2022 include the approved budgets for 2022 and 2023. As indicated in the financial statements, these budget figures are not subject to audit. This does not affect our audit opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the accounting provisions that apply to Rigsrevisionen. Management is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Rigsrevisionen's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless management either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international auditing standards, the additional provisions that apply in Denmark, including the public-sector auditing standards, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statements users taken on the basis of these financial statements.

As part of an audit conducted in accordance with international auditing standards, the additional provisions that apply in Denmark, including the public-sector auditing standards, the provisions of the audit instructions issued by the Presidium of the Folketing to the auditor of the Folketing, we exercise professional judgment and maintain professional scepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rigsrevisionen's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Rigsrevisionen's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Rigsrevisionen to cease to continue as a going concern.

We communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management report

Management is responsible for the management report.

Our opinion on the financial statements does not cover the management report and we do not express any form of assurance conclusion on the management's review.

In connection with our audit of the financial statements, our responsibility is to read through the management report and, in doing so, consider whether the management report is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we consider whether the management report includes disclosures required by the accounting provisions that apply to Rigsrevisionen.

Based on the work performed by us, we believe that the management report is in accordance with the financial statements and has been prepared in accordance with the accounting provisions that apply to Rigsrevisionen. We did not identify any material misstatement in the management report.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for the consistency of transactions comprised by the financial reporting with appropriations, legislation and other regulations as well as with agreements concluded and generally accepted practice, and for due financial considerations being taken into account in the administration of the funds and the operation of the enterprises comprised by the financial statements. Management is in this connection responsible for establishing systems and processes that support economy, efficiency and effectiveness.

In accordance with the public-sector auditing standards, it is our responsibility, in connection with our audit of the financial statements, to select the subject matters relevant to both the compliance audit and the performance audit. During a compliance audit, we verify with reasonable assurance for the subject matters selected whether the transactions comprised by the financial reporting are consistent with appropriations, legislation and other regulations as well as agreements concluded and generally accepted practice. During a performance audit, we assess with reasonable assurance whether the systems, processes or transactions examined support that due financial considerations are considered in the administration of the funds and the operation of the enterprises comprised by the financial statements.

If we, based on the work performed, conclude that our audit gives rise to material critical comments, we are to report on these.

We do not have any material critical comments to report in this respect.

Copenhagen 11 April 2023

PricewaterhouseCoopers
Stateauthorised accountants
CVR no. 33 77 12 31

Jesper Møller Langvad
State-authorised Public Accountant

Jesper Randall Petersen
State-authorised Public Accountant

Appendix 1: Reports published in 2022

January 2022

Five government authorities' compliance with 20 national technical minimum information security requirements

The planning phase of the Femern Belt Link

February 2022

The Danish Ministry of Defence's facilities management

March 2022

The Danish Agricultural Agency's administration of support applications with clear indications of fraud

The administration of the disability area

April 2022

Energinet's outsourcing of critical IT infrastructure operations services

The Danish Ministry of Finance's issue of 30-year government bonds in 2008

May 2022

Case processing times at district courts

June 2022

The Danish Ministry of Ecclesiastical Affairs' administration of the Danish Register of Religious Communities

Preparedness at the Danish hospital before and during the first wave of the COVID-19 pandemic

August 2022

The audit of the Danish government's administration in 2021

The audit of the Danish public accounts for 2021

September 2022

Student absence in Danish vocational education and training schools.

November 2022

The Danish Tax Agency's compliance checks of large company corporation tax

Employment effort directed at long-term unemployed

Cyber security resilience in the Danish public sector

The Danish Ministry of Culture's management of COVID-19 relief packages

Passenger benefits resulting from investments in the Danish railway system

The Danish regions' management of the maintenance of hospital buildings

December 2022

Pilotage in Danish waters

Commercialization of inventions and investments made in companies through government funding programmes