



**FOLKETINGET
STATSREVISORERNE**



**FOLKETINGET
RIGSREVISIONEN**

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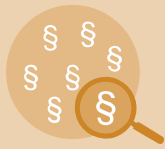


**Extract from Rigsrevisionen's report
submitted to the Public Accounts Committee**

The audit of the Danish government's administration in 2022

1. Purpose and conclusion

1. The report concerns 35 audits conducted by Rigsrevisionen in 2022 to determine whether the Danish ministries comply with relevant rules and regulations or have established systems and processes to support efficient, effective and economic management of public funds. Our audits are not providing an adequate basis for an overall conclusion on government administration. Figure 1 illustrates the background for the conclusions presented in the report. The nature of our audit opinions depends on the significance of the regulatory breaches and administrative shortcomings identified in the audit.

Figure 1
Rigsrevisionen's conclusions

COMPLIANCE AUDIT		FORVALTNINGSREVISION	
POSITIVE OPINION	CRITICAL REMARK	POSITIVE OPINION	CRITICAL REMARK
			
No material regulatory breaches	Material regulatory breaches	No material administrative shortcomings	Material administrative shortcomings

A *positive opinion* indicates that we have not identified any material regulatory breaches or administrative shortcomings.

A *critical remark* indicates material regulatory breaches or administrative shortcomings with a material impact on the ministry's administration.

Regulatory breaches are considered material if they have an annual financial impact of a minimum of DKK 100 million or make up more than 10 per cent of the expenses or revenue relating to the audited area, like, for instance, the ministry's payroll expenses or fee revenue. Administrative shortcomings are material if they affect the administration to an extent where they fail to support the economy, efficiency or effectiveness of the ministry's systems and processes.

With the change of government in Denmark in December 2022, the responsibility for some of the administrative areas referred to in the report were transferred to new ministries, and other ministries changed names. In the report, we use the names of the ministries that applied at the time of our audit in 2022.



Main conclusion

In 16 out of 17 audits, the ministries had managed funds in compliance with the rules in all material respects, and in 14 out of 18 audits the administration was also efficient, effective or economic in all material respects. Our audit opinions on 30 of the 35 audits conducted in 2022 were thus positive.

In the remit of the Ministry of Health, Rigsrevisionen detected one material regulatory breach, while four administrative areas in the Ministry of Health and the Ministry of Taxation were affected by material administrative shortcomings. These breaches and shortcomings led to five critical remarks. The report also comments on the administration of three other ministries.

The first critical remark concerns the **Ministry of Health's collection of fees**. For nine out of 13 audited fee schemes, the ministry has failed to set fee rates in compliance with the Budget Guideline Handbook issued by the Ministry of Finance. The Ministry of Health recorded a considerable surplus of DKK 73 million under a fee scheme concerning healthcare supervision combined with substantial deficits of in total DKK 57 million under other fee schemes. Consequently, incorrect fees were charged to the citizens and companies.

The second critical remark concerns **the Ministry of Taxation's collection of debt to the public purse**. The ministry's overall levels of debt collection improved in 2022 and the citizens' and companies' debt is increasingly collected through a new debt collection system (PSRM). The total debt to the public purse is DKK 154.9 billion, of which DKK 106.6 billion is collected through the ministry's old debt collection system (DM). However, this system does not support the withholding of wages, which, in combination with the fact that the quality of data on the debt is inadequate and the enforceability of the claims is unclear, means that the ministry will be unable to collect much of the debt.

The third critical remark concerns the **Ministry of Taxation's budget management** which was affected by shortcomings in two out of three audited IT projects. Furthermore, the ministry's management of the budgets of two IT development initiatives was not in compliance with the budget management requirements that apply to government IT projects. The ministry is, therefore, unable to determine whether the IT projects are delivered as planned.

The last two critical remarks are about the **Ministry of Health's performance management and management of activities and resources**. As neither has been satisfactory in 2022, the ministry is unable to account for the cost of activities. Rigsrevisionen assesses that the shortcomings are material, yet acknowledges that the circumstances of the ministry have been extraordinary due to the COVID-19 pandemic.

Lastly, we comment on administrative weaknesses in three ministries regarding collection of fees, salary and employment and budget management of a multi-annual project. None of these led to critical remarks.

1.1. Background

2. Table 1 presents a list of the administrative areas that we audited in 2022 in the individual ministries. We plan the audit to ensure that all relevant policy areas are audited at least every five years.

Table 1
Rigsrevisionen's audit in 2022

	Compliance audit: Is the ministry complying with the regulations?							Performance audit: Is the ministry supporting, efficient, effective and economic administration?								
	Collection of fees	Procurement	Salary and employment	Sales	Decisions on grants	Transfer of entitlements	Collection of taxes and duties	Debt collection	Management of debt collection	Management of multi-annual projects	Management of activities and resources	Performance management	Management of procurement	Management of public grant programmes	Management of the collection of taxes and duties	Management of sanctions
The Ministry of Employment					✓									✓		
The Ministry of Children and Education											✓					
The Ministry of Industry, Business & Financial Affairs	✓															
The Ministry of Finance				✓							✓					
The Ministry of Defence ¹⁾											✓					
The Ministry of the Interior and Housing			✓													
The Ministry of Justice			✓								✓					
The Ministry of Ecclesiastical Affairs						✓										
The Ministry of Climate, Energy and Utilities					✓									✓		
The Ministry of Culture				✓						✓						
The Ministry of Environment	✓										✓					
The Ministry of Food, Agriculture and Fisheries	✓										✓					
The Ministry of Taxation							✓		!	!						✓
The Ministry of Social Affairs and Senior Citizens	✓										✓					
The Prime Minister's Office											✓					
The Ministry of Health	!		✓							!	!					
The Ministry of Transport			✓													
The Ministry of Higher Education and Science					✓									✓		
The Ministry of Foreign Affairs				✓												
The Ministry of Immigration and Integration														✓		

✓ Positive conclusion ! Critical remark □ Audit findings are mentioned in the report

¹⁾ The audit was focused on the systems and processes underlying performance management in two enter-prises. Thus, the focus of the audit is not identical with the focus of the Ministry of Defence's management of funds allocated under the Defence Agreement 2018-2023, as referred to in our report no. 10/2022.