



FOLKETINGET
STATSREVISORERNE



FOLKETINGET
RIGSREVISIONEN

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

The audit of enterprises that are not included in the Danish public accounts for the financial year 2023

1. Introduction and conclusion

1.1. Purpose and conclusion

1. This report concerns the result of the audit of 49 enterprises that are not included in the Danish public accounts for the financial year 2023.

Rigsrevisionen audits the financial statements of several private enterprises that are fully or partially government financed. Rigsrevisionen conducts the audit in accordance with section 2 of the Auditor General Act and the legal foundation of the individual companies. The term *enterprises* is used in the report to cover all such enterprises.

The enterprises provide essential services to the Danish society in the areas of transportation, energy, business, health and culture. The nature of the enterprises ranges from large government-owned enterprises like *Energinet* with a turnover of DKK 11 billion in 2023 to minor organisations like the office of the Nordic Council of Ministers in Vilnius with a turnover of DKK 10 million. The expenditure and revenue of these enterprises are, unlike those of the ministries and agencies, not included in the Danish Finance Act. Consequently, their financial statements are not included in the public accounts either. The capital of these enterprises is thus kept separate from the capital of the state. Some of the enterprises, such as DSB (national rails), DR (national broadcasting) and sundhed.dk (national health services platform), do receive government grants under the Finance Act, and some of the enterprises pay dividends to the state.

The results of our audit of the financial year 2023 have generally been reported to the board of the enterprises during the first six months of 2024. Our findings regarding the audit of the enterprises are typically incorporated into the annual reports that are published by the enterprises.

The Danish Public Accounts Committee was informed of the results of the audit of the financial years 2021 and 2022 in memorandums. However, at its meeting on 9 October 2023, the Public Accounts Committee asked Rigsrevisionen to present the results of the audit for the financial year 2023 in a regular report.

Memorandum on Rigsrevisionen's assignments

Rigsrevisionen presents the Danish Public Accounts Committee with a memorandum on any changes to Rigsrevisionen's assignments that may have an impact on Rigsrevisionen's work in the upcoming year.



Conclusion

Rigsrevisionen has completed the audit of 49 enterprises whose financial statements are not included in the Danish public accounts for the financial year 2023. The audit included financial audit, compliance audit and performance audit.

Rigsrevisionen expressed an unmodified opinion on the audit of the financial statements of the 49 enterprises, which means that we concluded that the financial statements were correct.

In addition to the financial audits, Rigsrevisionen also conducted 57 thematic audits in selected enterprises. These audits focused on compliance and/or whether the systems and processes of the enterprises supported economic, efficient and effective administration.

The majority of the compliance and performance audits did not result in significantly critical remarks, yet on 10 occasions Rigsrevisionen did express critical remarks.





Four out of the 10 critical remarks concern breaches of the regulations governing the implementation of the procurement process and inadequate procurement management by TV 2 Kosmopol and TV 2 Fyn.

Six of the 10 critical remarks concern significant breaches of the regulations by *Stiftsrådet* (the diocese council) in connection with the awarding of loans from the capital held by the church and incumbency.

1.2. Background

2. In the financial audit of the financial statements, we use four types of audit conclusions as described in figure 1.

Figure 1
Rigsrevisionen's conclusions

POSITIVE OPINION	MODIFIED OPINION	ADVERSE OPINION	NO OPINION GIVEN
			
Misstatements is not material	Misstatements is material but not pervasive	Misstatements is material and pervasive	Misstatements is not known

A *positive opinion* indicates that the financial statements are correct and that misstatements, if any, do not exceed the level of materiality set for the financial audit of the individual company's financial statements.

A *modified opinion* indicates that the accounts are correct with certain exceptions but that material misstatements are confined to specific sections of the accounts and not pervasive.


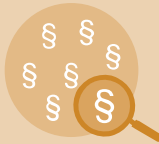


An *adverse opinion* indicates that the accounts are not correct but affected by material misstatements that are pervasive and cannot be confined to specific sections of the accounts. material misstatements.

No opinion given indicates that we have not had access to obtain sufficient evidence to assess whether the accounts are correct.

The financial audit is carried out in accordance with the requirements of the Danish standards of public-sector auditing and provides reasonable assurance that the financial statements of the company present fairly the assets, liabilities and financial position of the company in compliance with current laws and regulations.

The thematic audit of whether a company follows applicable laws and regulations (compliance audit) and the audit of whether a company is operating in accordance with the principles of economy, efficiency and effectiveness (performance audit) can result in one of two types of conclusions as described in figure 2.

Figure 2
Opinions provided in connection with compliance and performance audits

COMPLIANCE AUDIT		PERFORMANCE AUDIT	
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 material administrative shortcomings. If we have identified material regulatory breaches or assess that administrative shortcomings will have a material impact on the administration of the company, they will be reflected in a *critical remark* in the auditor's report.

A regulatory breach is considered material if it exceeds the level of materiality set for the financial audit of the individual company's financial statements. Whether a regulatory breach has considerable consequences for the citizens and enterprises can also affect the assessment of materiality. Administrative weaknesses are material when they affect the administration to the extent that the systems and processes fail to support the economy, efficiency and effectiveness of the ministry's administration of the subject matter in question.

Any critical remarks on the compliance and performance audit of specific themes are provided with reasonable assurance, in accordance with the Danish standards of public-sector auditing.

Audit of financial statements that are not included in the Danish public accounts

Rigsrevisionen audits the financial statements of several enterprises that are not included in the public accounts. The audit is conducted in accordance with section 2 of the Auditor General Act and the legal foundation of the individual enterprises. Rigsrevisionen's audit encompasses institutions, associations and foundations that receive government funding to cover their expenditure or deficits. Furthermore, independent enterprises (independent public administrative bodies) that have been established by law, and enterprises in which the government participates as a stakeholder are subjected to audit by Rigsrevisionen.

The common fund of the Danish National Evangelical Lutheran Church and its dioceses are special institutions under the National Church. Neither the common fund nor the dioceses are audited under section 2 of the Auditor General Act. The task has been assigned to Rigsrevisionen pursuant to section 17, sub-section 4 of the Act on the Economy of the Danish National Evangelical Lutheran Church (consolidated act no. 424 of 19 April 2023). The common fund of the Danish National Church is managed by the bishops and an administrative body pursuant to provisions laid down by the Minister of Ecclesiastical Affairs. The common fund presents separate financial statements as do the 10 dioceses.

Rigsrevisionen also audits the Nordic Culture Fund, the Nordic Council of Ministers, the Nordic Council and three offices under the Nordic Council.

The NATO Headquarters Multinational Corps North and the NATO Headquarters Multinational Corps Northeast are also audited by Rigsrevisionen in accordance with international agreements. The audit reports concerning these two enterprises were presented at the committee meetings of the NATO Headquarters Multinational Division North and the NATO Headquarters Multinational Corps Northeast in the autumn of 2024 and are therefore not included in this report.

We have carried out the audits in accordance with the provisions of the Danish standards of public-sector auditing.

Table 1 shows that we have conducted financial audits on 49 enterprises whose financial statements are not included in the public accounts. The table also presents an overview of the 57 thematic audits we conducted in 2023. The planning of these audits ensures that areas of significant income or expenditure are audited every five years, at the minimum.

Table 1
Overview of financial, compliance and performance audits of the financial year 2023

	Financial audit: Are the financial statements correct?	Compliance audit: Is the enterprise complying with laws and regulations?						Performance audit: Are systems and processes supporting the economy, efficiency and effectiveness of public spending?						
		Procurement	Salary and employment	Sales	Collection of fees	Allocation of grants	Transfer of entitlements	Other relevant thematic audits	Management of activities and resource	Performance management	Management of procurement	Management of multi-annual investment budgets	Management of grant schemes	Other relevant thematic audits
DANAK – Den Danske Akkrediteringsfond	✓				●									
Danmarks Eksport og Investeringsfond (EIFO)	✓	●									●			
Danmarks Grundforskningsfond	✓							●	●					
DanPilot	✓		●											
Dansk Hunderegister	✓							●	●	●				
De Danske Kongers Kronologiske Samling	✓		●							●				
Den Danske Klimaskovfond	✓	●								●				
Din Offentlige Transport (DOT)	✓	●								●				
DR	✓									●				
DSB	✓	●								●				
EKF Danmarks Eksportkredit	✓													
Energinet	✓		●											
EuroSkills 2025	✓							●	●					
Finansiel Stabilitet	✓							●						
Folkekirkens fællesfond	✓								●					
Garantifonden for skadesforsikringselskaber	✓					●								
ICARS	✓					●						●		
MedCom	✓							●						
Metroselskabet	✓		●											
Naviar	✓				●									
Nordic Patent Institute	✓							●						
Nordic Culture Fund	✓													
Nordic Council of Ministers	✓													
Nordic Council of Ministers' office in Riga	✓													
Nordic Council of Ministers' office in Tallinn	✓													

✓ The financial statements are correct ● Positive opinion ● Critical remark

Table 1 (continued)

Overview of financial, compliance and performance audits of the financial year 2023

	Financial audit: Are the financial statements correct?	Compliance audit: Is the enterprise complying with laws and regulations?							Performance audit: Are systems and processes supporting the economy, efficiency and effectiveness of public spending?					
		Procurement	Salary and employment	Sales	Collection of fees	Allocation of grants	Transfer of entitlements	Other relevant thematic audits	Management of activities and resource	Performance management	Management of procurement	Management of multi-annual investment budgets	Management of grant schemes	Other relevant thematic audits
Nordic Council of Ministers' office in Vilnius	✓													
Nordic Council	✓													
Nordsøenheden	✓							●						
Nordsøfonden	✓							●						
Rejsegarantifonden	✓				●									
Sundhed.dk	✓							●						
TV 2 Bornholm	✓	●								●				
TV 2 Fyn	✓	●								●				
TV 2 Kosmopol	✓	●								●				
TV MIDTVEST	✓	●								●				
TV 2 Nord	✓									●				
TV 2 ØST	✓									●				
TV 2 Østjylland	✓	●								●				
Udviklingsselskabet By & Havn	✓										●			
Fyens Stift	✓							●						
Haderslev Stift	✓							●						
Helsingør Stift	✓							●						
Københavns Stift	✓							●						
Lolland-Falsters Stift	✓							●						
Ribe Stift	✓							●						
Roskilde Stift	✓							●						
Viborg Stift	✓							●						
Aalborg Stift	✓							●						
Aarhus Stift	✓							●						

✓ The financial statements are correct ● Positive opinion ● Critical remark

Source: Rigsrevisionen.

The 10 thematic audits marked in red are mentioned in the report.