



Extract from the report to the
Public Accounts Committee on
the audit of the state accounts
for 2010

November
2011

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I. Opinion on the Danish state accounts

Introduction

Rigsrevisionen has audited the state accounts for the fiscal year 2010. The audit included an examination of the completeness of the state accounts and a comparison of the appropriation figures with the accounting figures.

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 2010, which was issued in November 2011. EU funds represent significant income and expenditure and are attracting much interest from the European Commission and the European Parliament. Rigsrevisionen is therefore preparing an annual report on EU funds in Denmark.

Rigsrevisionen has also audited government refunds to municipalities, block grants and grants to the regions. The audit of these areas is mentioned in the Report to the Public Accounts Committee on government refunds to the municipalities and regions in 2010, which was issued in November 2011.

With the issue of this opinion, Rigsrevisionen considers the audit of the state accounts for the fiscal year 2010 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

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. The audit has also, for certain administrative areas, included an assessment of whether administration has been financially appropriate.

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.

Rigsrevisionen has qualified its opinion or included an emphasis of matter section in its opinion on the financial statements of a few entities. The audit also identified weaknesses in the accounting and errors in the accounts of individual entities which affected the assessment of the accounting and accounts of these entities, but has not caused Rigsrevisionen to qualify its opinion on the total state accounts.

Conclusion

In the opinion of Rigsrevisionen, the state accounts for 2010 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, 4 November 2011

Henrik Otbo
Auditor General

/Yvan Pedersen
Assistant Auditor General

Conclusion on parts of the state accounts section 38. Taxes and duties

Auditor General Henrik Otbo has in a letter to the President of the Folketing (parliament) of 29 March 2011 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 two cases relating to the accounts of the Ministry of Taxation under the state accounts section 38. Taxes and duties. The cases concern collection of tax debts and the Central Register for Motor Vehicles. These cases are referred to in items 93 - 96 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, cf. letter of 12 April 2011. The interim auditor general has therefore issued an opinion on the part of the state accounts that concerns collection of tax debts and the Central Register for Motor Vehicles in section 38. Taxes and duties.

The interim auditor general had made emphasis of matter concerning the debt collection strategy of the Ministry of Taxation, as a joint collection system still has not been implemented.

Conclusion

In the opinion of the interim auditor general, the accounts for the Central Register of Motor Vehicles 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, 4 November 2011

Jørgen Mohr
Interim Auditor General