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STATSREVISORERNE
RIGSREVISIONEN



Extract from Rigsrevisionen's report on

the audit of the Danish government accounts for 2015

submitted to the Public Accounts Committee



1849
147.281
237
1976
114.6
22.480
908

1. Opinion on the Danish government accounts

Rigsrevisionen has audited the Danish government accounts for 2015. The audit included an examination of the completeness of the accounts and a comparison of appropriations against accounting figures.

We have audited the income, expenditure, balance sheet and appropriations of the departments referred to in sections 5 to 29 in the government accounts (summaries, statements of appropriations and accounts, balance sheet specifications and inventories), and in the part of the accounts where individual items concerning the accounts and appropriations are specified. We have also audited sections 35 to 42 of the government accounts concerning cross-cutting expenditure and income, such as interest expenditure and tax revenue.

We have also audited the departments' explanations of the variances between accounting and appropriation figures that appear from the annual reports for 2015 prepared by the respective government agencies and bodies.

As part of our audit of the Prime Minister's Office, we have checked if the government allowance for the queen and civil list annuity for other members of the royal family have been correctly calculated and paid on time. We do not audit the Danish parliament (the Folketing), which is audited by a private auditing firm.

With the issue of this opinion, Rigsrevisionen considers the audit of the Danish government accounts for 2015 completed. However, Rigsrevisionen may later decide to re-examine areas relating to this and previous accounting years, which may lead to disclosure of new information resulting in reassessment of items that have been examined in this report.

Responsibilities of the Ministries

The Minister for Finance presents the government accounts to the Danish parliament. The government accounts shall be presented in compliance with the relevant finance act and appropriation adjustment acts and include all government income and expenditure concerning the past fiscal year, government assets and liabilities and any movements in these in the course of the year. The government accounts include the financial statements of the departments, which on their part include the financial statements of the individual entities under the departments.

All departments are required to prepare proper financial statements in accordance with the accounting rules applying to government. The financial statements shall include all income and expenditure concerning the past fiscal year, assets and liabilities and any movements in these in the course of the year.

The ministries are responsible for establishing business procedures and internal controls relevant to the presentation of financial statements free from material misstatement, whether due to fraud or error. The ministries are also responsible for ensuring that the transactions covered by the financial statements comply with appropriations granted, laws and other regulations as well as agreements concluded and common practice. The ministries and the individual entities under the departments are also responsible for applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The government entities' compliance with the government accounting regulations is supervised by the departments, which also approve the financial statements of the ministries.

Rigsrevisionen's Responsibility for the Audit Conducted

It is our responsibility to express an opinion on the government accounts based on our audit. Our conclusion is based on the audit opinions issued on the financial statements prepared by the ministries. The conclusions in the auditor's reports are presented in chapter 4 of this report.

We have conducted the audit in accordance with good public-sector auditing practice as stipulated in the Audit of the Government Accounts etc. Act. Good public-sector auditing practise is based on the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards of Supreme Audit Institutions. The standards applied require that we plan and perform the audit to obtain reasonable assurance that the financial statements are complete and free from material misstatement.

Our audit procedures are designed to obtain audit evidence of amounts and information included in the financial statements. We select the audit procedures based on an assessment of the ministries, including an assessment of the risk of material errors in the financial statements, whether due to fraud or error. The audit procedures include also an assessment of internal controls with regard to the reliability of the financial reporting in compliance with applicable laws and regulations.

An audit involves an assessment of accounting practice, the reasonableness of accounting estimates made and an assessment of the overall presentation of the financial statements.

Another aspect of the audit is comparing appropriations against relevant accounting figures in order to assess compliance with the appropriations and relevant regulations, meaning that the transactions covered by the financial statements are, in all material respects, in compliance with the terms and objectives prescribed by the appropriation acts and other regulations, and the ministries have accounted for material variances between appropriation and accounting figures.

In the course of the audit, we also assess whether the business procedures and internal controls established are appropriate and, in all material respects, in compliance with the government accounting regulations and underpinning the government's presentation of true and fair accounts in compliance with appropriations granted, government rules and regulations including applicable appropriation acts and accounting requirements.

We test selected transactions covered by the financial statements for compliance with appropriations granted, laws and other regulations as well as agreements concluded and common practice. We also assess whether due financial considerations have been taken into account in connection with the administration of funds and the operation of entities covered by the financial statements. Any findings made in this connection that result in critical comments will be included in a statement at the end of the audit report.

Our audit approach is described in more detail in appendix 1 on methodology.

In our opinion, the audit evidence obtained is sufficient to provide a basis for our conclusion.

The audit has not resulted in any qualifications.

CONCLUSION

In the opinion of Rigsrevisionen

- the government accounts are, in all material respects, correct, meaning that the financial statements have been prepared in compliance with the appropriation acts and the accounting requirements that apply in the government sector;
- the government has, in all material respects, complied with the appropriations and other relevant regulations;
- the business procedures and internal controls established are, in all material respects, in compliance with the accounting requirements that apply in the government sector and support the consistency of the transactions included in the financial statements with the appropriations granted and other regulations.

Rigsrevisionen, 2 September 2016

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