



Extract from the report to the  
Public Accounts Committee on  
the audit of the state accounts  
for 2012

November  
2013

revision  
revision  
revision

# I. Opinion on the Danish state accounts

## Introduction

Rigsrevisionen has audited the state accounts for the fiscal year 2012. 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. Denmark receives funds from the EU and settles duties, levies, VAT and GNI contributions to the EU's own resources every year. EU funds represent significant income and expenditure and therefore attract the attention of both the European Commission and the European Parliament. Rigsrevisionen therefore prepares a report on the audit of EU funds in Denmark every year. The report on the audit of EU funds in Denmark in 2012 was submitted to the Public Accounts Committee in November 2013.

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 2012, which was issued in November 2013.

With the issue of this opinion, Rigsrevisionen considers the audit of the state accounts for the fiscal year 2012 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 reassessment of 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 that are based on the fundamental auditing principles issued by INTOSAI (ISSAIs 100-999). 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 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 funds have been appropriately administered.

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 on the accounts of two entities and on 10 occasions included emphasis of matter sections in its opinion on the financial statements of eight entities included in the state accounts for 2012. The audit also identified weaknesses in the accounting and errors in the accounts of a few entities which affected the assessment of the accounting management and accounts of these entities, but did not cause Rigsrevisionen to qualify its opinion on the total state accounts.

**Conclusion**

In the opinion of Rigsrevisionen, the state accounts for 2012 are overall correct. Rigsrevisionen is also of the opinion that overall, appropriate business procedures and internal controls have been established to support that the transactions included in the financial statement are in compliance with appropriations, legislation and other provisions, agreements made and general practice.

Rigsrevisionen, 1 November 2013

Lone Strøm  
Auditor General

/Yvan Pedersen  
Assistant Auditor General

**Conclusion on parts of the state accounts relating to the Ministry of Finance**

1. Auditor general Lone Strøm has in compliance with the Auditor General's Act, section 1a, sub-section 4, declared that she is not qualified to handle the following seven cases relating to chapter IV.C. section 7. The Ministry of Finance. The cases concern grants paid by Økonomiservicecenteret (Danish Governmental Financial Service Centre) through GIS, belated presentation of accounts by the department, Digitaliseringsstyrelsen (Danish Agency for Digitalisation), Moderniseringsstyrelsen (Agency for the Modernisation of Public Administration), Statens Administration (government administration body) and Statens IT (Danish Agency for Governmental IT Services), re-structure of the Ministry of Finance's corporate management, follow-up on outdated IT systems used by Statens Administration, emphasis of matter section on the practice applied to accounting concerning software licence costs and follow up on inadequate quality of the presentation of accounts by the Danish Agency for Governmental IT Services, follow up on inadequate enhancement of the IT security level of the Danish Agency for Governmental IT Services and missing completion of a shared public sector standard for management of IT security in the Danish Agency for Governmental IT Services.

The President of the Folketing (Danish parliament) has upon recommendation from the Danish Public Accounts Committee and after consultation with the Presidency of the Danish parliament appointed former member of the European Court of Auditors and former assistant auditor general, Morten Levysohn, interim auditor general. Mr Levysohn is appointed for twelve months and is in this period authorised to handle the cases that Auditor General Lone Strøm is not qualified to handle, cf. letter of 23 May 2013. The Public Accounts Committee has asked Mr Levysohn to handle the cases referred to above, and he has therefore made assessments of and issued audit opinions on these cases.

**Conclusion**

In the opinion of the interim auditor general, the accounts in question are overall correct. The interim auditor general is also of the opinion that overall, appropriate business procedures and internal controls have been established to support that the transactions included in the financial statement are in compliance with appropriations, legislation and other provisions, agreements made and general practice.

Rigsrevisionen, 1 November 2013

Morten Levysohn  
Interim Auditor General