



**FOLKETINGET
STATSREVISORERNE**



**FOLKETINGET
RIGSREVISIONEN**

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

The Ministry of Defence's establishment of a deployable brigade

1. Introduction and conclusion

1.1. Purpose and conclusion

1. This report concerns the establishment of a deployable brigade under the Danish Ministry of Defence. Once established, the brigade must be fully deployable or deployable in smaller units nationally or internationally within 180 days. The capabilities of the current 1st brigade under the Ministry of Defence provides the basis for building the deployable brigade, which involves procurement of new capabilities, like anti-tank missiles, and maintenance of current capabilities, including upgrading existing tanks. It also requires training more soldiers and building storage for the new capabilities.

The decision to build the brigade flows from the Agreement for Danish Defence 2018 – 2023 from January 2018. Building the brigade is a massive undertaking, and according to the agreement, defence is to have the brigade ready by 2024. Building the brigade involves the implementation of seven initiatives, and DKK 4.4 billion has been allocated to the project.

2. Rigsrevisionen initiated the study in December 2021, following an announcement by the Ministry of Defence in November 2021 to the political parties to the defence agreement and the public that two of the initiatives relating to building the brigade would be postponed to the next defence agreement period, beginning in 2024. In January 2022, the Danish Public Accounts Committee asked Rigsrevisionen to address two additional questions in the study on the information provided to the Danish parliament (the Folketinget).

3. In September 2022, the Ministry of Defence carried out the first part of a general critical inspection of the ministerial remit, which found that six out of the seven initiatives leading to the establishment of the brigade were delayed. This means that the ministry is not expecting the brigade to be deployable in 2024, as agreed in the defence agreement. In connection with the inspection, the ministry also established a need to strengthen the ministry's group and cross-sectoral management, planning and implementation. The findings presented in the report confirm this need.

This report was submitted to the Danish Public Accounts Committee together with the report on the Ministry of Defence's financial management of funding flowing from the defence agreement in the years 2018 to 2023.

1st brigade

The 1st brigade is a military unit under the army and will consist of approx. 4,000 professional soldiers. Establishing the brigade involves more operational tanks, drones and anti-tank equipment. The brigade will be deployable in full or in smaller units.

4. The purpose of the study is to assess whether the Ministry of Defence has ensured efficient management of the building of the deployable brigade. We have reviewed the ministry's answers to the Folketinget's questions about the brigade tabled to the Defence Committee and the ministry's annual briefings of the political parties to the defence agreement. With this report, we provide the Public Accounts Committee with a factual basis for assessing whether the Folketinget received correct, current and on-going information about budget overruns and/or delays, cf. the Public Accounts Committee's request and Rigsrevisionen's memorandum on the design of the study. To determine whether the Finance Committee has received the necessary information on the brigade, we have examined whether the information in the documents submitted to the committee corresponds with the underlying documentation held by the ministry.



Main conclusion

The Ministry of Defence has not ensured efficient management of the building of a deployable brigade. This is not considered satisfactory by Rigsrevisionen. The Ministry of Defence has followed up on building the brigade to a limited degree. As a consequence, the ministry is unaware of how the funding of approx. DKK 4.4 billion allocated to building the brigade is spent and when the brigade will be deployable.

The study shows that the Ministry of Defence initially had established a structure for internal reporting but that the ministry did not follow it in 2021 and 2022. The ministry has not drawn up an overall schedule for building the brigade and the schedules drawn up for the individual initiatives are not robust.

The defence agreement is a framework agreement which, according to the Ministry of Defence, means that because funding for building the brigade is allocated to the ministry within the financial framework of the finance act, the ministry is not required to follow up on the spending of the approx. DKK 4.4 billion allocated to building the brigade, in a separate exercise. Rigsrevisionen notes that because the ministry is not following up on the economy, it is unaware of how funding is spent and whether sufficient funding is available to complete the project. Thus, the ministry has failed to ensure transparency in the economy which makes it difficult for the ministry to manage progress and make decisions on priorities on an informed basis.

The study shows that the Ministry of Defence followed up on progress against plans to a certain degree. In the first six months of 2021, the ministry assessed that having established the brigade by the end of 2023 would not be a realistic assumption. The ministry's group management team discussed deviations in progress on four occasions but only concerning one of the seven initiatives. This, in spite of the fact that the ministry in 2018 expected five of the seven initiatives to be delayed and in 2021 established that several of these five initiatives were significantly behind schedule. A development which, according to the ministry's guidelines, should have been addressed by the group management team.

The Ministry of Defence kept the Folketinget informed of the brigade through the minister's answers to questions tabled to the Defence Committee, and the political parties to the defence agreement were kept informed through annual briefings

The minister of defence responded to questions about the brigade asked by the Defence Committee 25 times in the period from 2018 to June 2022. Fifteen of the questions concerned delays and on three occasions the minister responded that defence expects to have an operational brigade by 2024, but that some matters will remain unresolved.

The political parties to the defence agreement were briefed by the minister of defence annually on progress in building the brigade on five occasions. Additionally, the ministry informed the parties to the agreement ad hoc on nine occasions, generally about the state of affairs of individual capacities. Five of these briefings concerned delays.

The study found that the documents submitted by the Ministry of Defence to the Defence Committee included the necessary information and corresponded with the information contained in the underlying documentation. However, the ministry has not consistently presented the documents within the time limits indicated in the government's guidelines on budgeting. Rigsrevisionen agrees that it can take some time to assess whether a change, compared to the budgeting guidelines, should be considered "significant". However, Rigsrevisionen does not consider a processing time of between five and eleven months reasonable when the issue at hand concerns a change in price.