



FOLKETINGET
RIGSREVISIONEN



April 2024

Annual report and accounts 2023

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Rigsrevisionen's annual report and accounts for 2023 is submitted to the Danish Public Accounts Committee in accordance with section 17 (4) of the Danish Auditor General Act.

Front page photo by Jonas Smith

Foreword by the Auditor General

We support the Danish Folketinget (parliament) in holding the government to account by examining whether laws and policies adopted by the parliament are implemented. We are particularly concerned with areas where public money is not spent wisely, or politically agreed measures or services are not provided as intended.

In 2023, we focused on the following aspects of the services we provide:

- *Dialogue with the Folketinget.* The work we do and the reports we publish are intended to support the Folketinget, thus it is imperative that we are pertinent and instructive. It is therefore encouraging that we were invited by the Public Accounts Committee to attend several government committee meetings in 2023. The topics of these meetings was the criticism expressed by the Public Accounts Committee based on the conclusions drawn in our reports.
- *Communication.* We have simplified and clarified our communication in the reports we publish in order to reach a broader audience and ensure that our work and conclusions are more widely used.
- *Transparency.* In 2023, we took another step towards being more open and transparent about our work. We now publish a list of major ongoing studies and indicate when we expect to submit the completed reports to the Public Accounts Committee. Additionally, Rigsrevisionen has accepted several requests for external presentations where members of the staff and I have presented the results of specific audits and investigations and informed the audience – more generally - about Rigsrevisionen's work and strategic objectives.
- *Wider reach.* In order to achieve our strategic goal of expanding our audit reach, we decided to visit all government enterprises regularly. Our focus has previously been on large enterprises. This new initiative was started up in 2023 with scheduled visits to 20 minor government enterprises and will be continued in the coming years. The purpose of the visits is to foster robust and dependable administration across the entire government.
- *Information Technology.* Investigating public sector cyber resilience has been a priority for Rigsrevisionen in 2023. During the course of the year, we completed three major investigations into this issue and concluded, among other things, that the resilience of several critical IT-systems was inadequate. The progress in solving the problems that were highlighted in the reports will be closely followed by Rigsrevisionen and the Public Accounts Committee. These specific investigations are supplemented with current IT-audits performed across the public sector.



Rigsrevisionen was invited to the following parliamentary committee meetings in 2023:

- The Digitization and IT Committee
- The Defence Committee
- The Finance Committee
- The Climate, Energy and Utilities Committees
- The Environment and Food Committee
- The Legal Affairs Committee
- The Fiscal Affairs Committee
- The Social Affairs Committee
- The Health Committee
- The Transport Committee
- The Immigration and Integration Committee.

The Danish Public Accounts Committee

The six committee members are elected by the members of The Folketinget for a term of four years. The committee has the authority to ask Rigsrevisionen to examine particular areas of government administration.

Read more about the work of [Public Accounts Committee](#).

- *Focus on Danish Defence.* The two first reports that we published in 2023 were about the financial management of the Ministry of Defence and the ministry's establishment of a deployable brigade. Both reports concluded that ministry management was flawed. Considering the future significantly increased Danish defence budget, this area will also have our attention in the years to come.

Birgitte Hansen
Auditor General

About the audit in 2023

Audit of the Danish public accounts for 2022

The audit of the Danish public accounts is Rigsrevisionen's core task. We conduct the audit in accordance with the Danish standards of public-sector auditing (SOR) and good public-sector auditing principles. This means that the financial audit of the accounts also includes elements of compliance audit and performance audit.

The annual audit opinions formed on each ministerial remit include our conclusion on the audit of the financial statements of the various government agencies and bodies. We submit the [annual report on the audit of the public accounts](#) to the Danish Public Accounts Committee in August.

We concluded that the public accounts for 2022 were correct and in compliance with the appropriations. However, we did qualify our opinion concerning the financial statements of one of the departments due to its treatment of a provision made in the accounts.

For the first time in five years, Rigsrevisionen issued an unqualified conclusion on section 38 Taxes and fees under the Ministry of Taxation.

Audit of the government's administration

We report the most significant results of our compliance audit and performance audit of the government's financial statements in the [report on the audit of the government's administration](#), which we submit to the Public Accounts Committee in August.

Our conclusions in this report are either positive or critical. In the report for 2022 we looked at the results of 35 audits where we had concluded either that the ministry in question had complied with relevant rules and regulations or had established systems and processes to support efficient, effective and economic management of public funds.

Conclusion on the audit of the government's administration in 2022

Our audit opinion on 30 of the 35 audits conducted was positive.

We had five critical remarks of which:

- three concerned the remit of the Ministry of Health and included incorrectly set fees, which meant that citizens and companies in some instances had either paid too high or too low fees;
- two concerned the Ministry of Taxation and had to do with administrative shortcomings in the management of IT projects and inadequate collection of debt to the public purse.

New activity in 2023 – audit visits to minor government enterprises

In accordance with Rigsrevisionen's strategy for the years 2023-2027, we made the decision to visit also small government enterprises. We visit the large agencies and institutions every year.

The purpose of this new activity is to foster robust and reliable administration across the entire government.

In 2023, we visited 20 minor government enterprises under 14 different ministries. Among the enterprises visited were the Ministry of Food, Agriculture and Fisheries, the Danish National School of Performing Arts, the Danish National Center for Ethics, the Danish Environmental Portal, The National Council for Children, the Department of Civil Affairs and the Student Counselling Service.

We report our findings to the relevant government enterprise and ministerial department.

Major studies

Rigsrevisionen also published 18 major studies in 2023 of which seven were initiated at the request of the Public Accounts Committee.

Cross-departmental studies

Seven of the 18 major studies looked at tasks that are performed by several ministries or require that two or more ministries work together to provide a service to the citizens.

Collaboration across departments or between the five Danish regions and the ministries can be challenging. A lack of coordination between the authorities and different practices can lead to citizens not receiving the services they are entitled to. Rigsrevisionen has a unique mandate to carry out cross-departmental studies that allow us to examine potential issues in this particular area of administration. Our cross-departmental studies are listed in the boxes below.

Matters of importance to citizens or companies

Eight of our major studies dealt with issues where the government's administration has a direct impact on the citizens or companies in terms of, for instance, health, financial circumstances or case processing times.

Major studies with focus on issues that have a direct impact on specific groups of citizens or companies

- [Care pathways of citizens with mental health illnesses](#)
- [Police investigations into online sexual crimes and cyber fraud](#)
- [Processing of family reunion applications](#)
- [Supervision of the utility sector](#)
- [Supervision of wastewater and control of wastewater taxes](#)
- [The probate courts' inspection of bankruptcy estates](#)
- [The Ministry of Environment and the Ministry of Defence's effort to remediate PFAS contamination](#)
- [Varmechecken \(one-off payment to low-income households to cover increased heating costs\)](#)

IT and information security

In 2023, the Danish Centre for Cyber Security under the Danish Ministry of Defence raised the threat level for cyber crime and cyber espionage in Denmark to very high.

Given the level of digitization in the public sector in Denmark and the high threat level, it is imperative that the government ensures the security of the citizens' personal data and protect critical infrastructure.

Auditing IT and information security is also a priority for Rigsrevisionen. We carried out three major studies on the government's management of IT-security and resilience. Data security breaches could ultimately lead to the destruction or inaccessibility of government IT systems and data, and the abuse or destruction of confidential and sensitive data on Danish citizens and companies. Events that may render the public sector unable to provide services that the citizens are entitled to.

The three reports all pointed to the need for improvements in relation to updating of server software when new security updates are released, the cyber security resilience of critical IT-systems and mapping of the technical state of the government IT-systems.

Major studies on IT

- [The cyber security resilience of the Danish public sector II](#)
(a follow-up on a report on the same issue published in November 2022)
- [The security of servers managed by the Danish Agency for Governmental IT Services](#)
- [The authorities' portfolio management of critical IT systems](#)

Transparency and financial accountability in the public sector

We generally publish several reports every year to assess whether or not the ministries are complying with the financial frameworks and spending the money wisely.

In 2023, we looked, for instance, at the Ministry of Defence's financial management of an appropriation of DKK 12.8 billion granted under the Defence Agreement 2018-2023. We found a lack of transparency in the spending of funds and the progress of relevant projects, which meant that the Ministry of Finance was unable to account in full for the use of the appropriated funds and whether they were spent in compliance with the terms of the Defence Agreement.

We also examined the construction of New North Zealand Hospital and concluded that the Capital Region of Denmark, which is responsible for the project, had failed to draw up a robust budget for the construction work. Thus, the project turned out to be inadequately funded from the beginning and it has become significantly more expensive than planned. The budget was increased from DKK 5.3 billion in 2013 to DKK 7.6 billion in July 2023.

Furthermore, Rigsrevisionen scrutinized the regions' payments made to general practitioners for services provided in 2023. Based on our findings, we concluded that neither the regions' ex-ante or ex-post control of payments made to the GPs had been effective. Furthermore, the framework established for verifying payments made to GPs had largely remained unchanged since Rigsrevisionen examined and criticised the control in 2012.

Major studies on transparency and financial accountability

- [The Ministry of Defence's financial management of the defence agreement funds in the period from 2018 to 2023](#)
- [The Ministry of Defence's establishment of a deployable brigade](#)
- [Check of payments made to general practitioners for services provided](#)
- [The government's use of in-house competencies and external consultants](#)
- [The ministries' administration of credit cards](#)
- [The Ministry of Taxation's monitoring of the vehicle leasing](#)
- [The construction of New North Zealand Hospital](#)

Extracts in English of all our reports on major studies and the reports on the audit of the public accounts and the government's administration are published on www.rigsrevisionen.dk.

Other audit tasks

Under the Auditor General Act and related legislation, Rigsrevisionen is also mandated to audit financial statements that are not included in the public accounts. For the accounting year 2022, the audit conducted in 2023 included 56 independent public enterprises like DSB (national rail company), Energinet (company that owns, operates and develops the transmission systems for electricity and gas in Denmark), Metro-selskabet (company responsible for the development, construction and operation of the metro system in Copenhagen), Naviair (responsible for air traffic management in Danish airspace) and seven regional broadcasting companies.

The financial audit of the financial statements of 54 of these companies resulted in unqualified opinions, whereas the audit of the diocese of Copenhagen resulted in a qualified opinion, and the audit of NATO Headquarters Multinational Division North resulted in an adverse opinion.

EU opinions

Rigsrevisionen also issues opinions to government recipients of EU funding. These opinions include an assessment of whether the financial statements present a fair view of the recipients' expenditure and income in connection with the implementation of EU-funded projects. In 2023, we issued 19 opinions regarding the financial statements of EU projects.

International activities

Rigsrevisionen participates in various international activities and networks to exchange knowledge and experience with individuals who possess expertise in areas that are relevant to our organisation. Simultaneously, engaging in international work presents our staff with the chance to adopt novel perspectives on their own practice, and enhance their professional abilities.

Rigsrevisionen has been involved for many years in the development of a set of international standards for public sector auditing under the auspices of INTOSAI, which is a global umbrella organisation for supreme audit institutions. Rigsrevisionen's audits are conducted in compliance with INTOSAI's standards of public sector auditing.

Rigsrevisionen is part of various working groups on the environment, information technology, performance auditing and big data.

In 2023, we also participated in the Public Accounts Committee's visit to Kenya, which encompassed the inspection of development projects supported by Denmark in and around the harbour in Mombasa and meetings with the Kenyan Office of the Auditor General. Denmark provides funding of DKK 1,070 million to development projects in Kenya between the years 2021 and 2025.

Quality

Quality assurance

Rigsrevisionen is holding the government to account on behalf of the Folketinget. It is a position of trust that we strive to fulfil conscientiously and with high quality.

Rigsrevisionen has an extensive internal quality assurance system in place that is supplemented with several annual internal quality reviews and external evaluations of our work processes, auditing skills and communication abilities. The results of the reviews and evaluations provide a foundation for further developing our processes and enhancing the quality of our products.

Cold review

Every year, Rigsrevisionen undertakes a review of selected elements from a sample of completed and signed-off audits, a so-called cold review.

In 2023, the primary focus of the cold review was on the documentation of the annual audit and the quality of the follow-up memorandums that Rigsrevisionen prepares in response to the ministers' reports on the steps they intend to take to address issues raised in our reports. This year's cold review resulted in the implementation of various minor modifications to our work procedures.

Panel of evaluators 2023

- Professor Michael Svarer – *Department of Economics and Business Economics, University of Aarhus*
- Professor Jan Pries-Heje – *Department of People and Technology, University of Roskilde*
- Professor Lene Holm Pedersen – *Department of Political Science, University of Copenhagen*
- Associate Professor Caroline Howard Grøn – *Department of Political Science, Aarhus University*
- Professor Michael Gøtze – *Department of Law, University of Copenhagen*
- MA in Communication, Ola Jørgensen – *Klartekst ApS*

Technical evaluation of reports

Since 2000, a team of external experts has assessed the technical quality of Rigsrevisionen's reports. The evaluators have different backgrounds but share a deep understanding of public administration. All the reports we have published in the course of a year are distributed among the evaluators for an assessment of their relevance, the clarity of the connection between assessment criteria, analysis and conclusion, and the clarity of our conclusions. The evaluators rate the reports on a scale that ranges from *less satisfactory* to *very satisfactory*. In 2023, four out of 20 reports were rated *very satisfactory* and 16 were rated *satisfactory*.

Evaluation of our communication in the reports

Beginning in 2023, the manner in which we communicate in our reports shall also be evaluated annually. The purpose is to ensure that our findings and results are communicated in a clear and efficient manner. The assessment addresses the following aspects of our communication:

- Are the conclusions clear, understandable and convincing?
- Is it clear to the reader why the subject matter is important?
- Is the language simple and precise?

As a result of the evaluation of our communication in six randomly selected reports in 2023, one report was rated *very satisfactory*, four were considered *satisfactory* and one was *less satisfactory*.

Client survey

In 2021, we began measuring the auditees' satisfaction with our planning of the audit in order to obtain a clearer picture of how the auditees perceive the audit process.

When an audit has been signed off or a major study submitted to the Public Accounts Committee, we send a questionnaire to the relevant ministry asking for a rating of the audit process. Our total score has increased from 3.8 in 2021 to 4.1 in 2023, out of a maximum of 5.

Based on the comments provided by the ministries in the survey, we have adjusted our deadlines for the submission of audit material which were considered very tight by the ministries. Additionally, we have focused on being more specific when asking for audit material. Lastly, we have endeavoured to communicate more clearly what the purpose of the process is in order to give the ministries a better understanding of this phase of the audit.

Resources

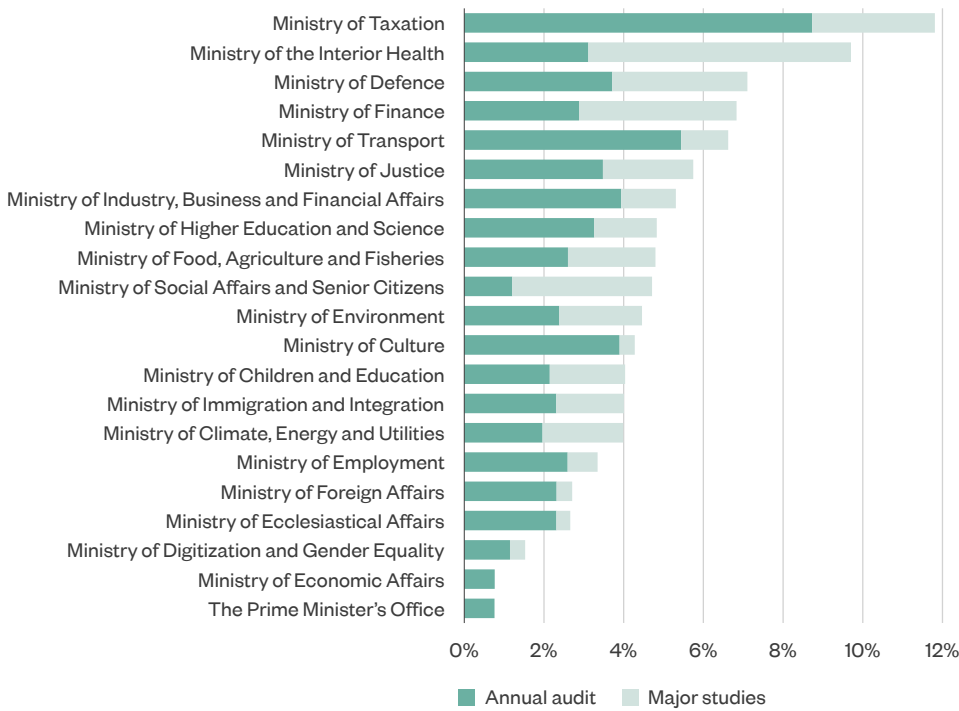
In 2023, Rigsrevisionen allocated its resources based on:

- an assessment of which areas that are economically significant and which areas that are posing a major risk of error or irregularities;
- the complexity of the ministerial remits and the number of bodies audited within each remit.

Our strategic objectives determine which specific audits to undertake.

The figure below shows how we allocated our resources in 2023 to *annual audit* (audit of the public accounts and the government's administration, and other auditing tasks) and *major studies*.

Allocation of resources in 2023



Note: Auditing resources are allocated based on time records.

The audit is planned based on an assessment of materiality and risk which explains why we use so many resources on the Ministry of Taxation. In 2023, this ministry employed just under 12,000 people, managed a total appropriation of approx. DKK 7 billion and was responsible for the collection of approx. DKK 1,200 billion in taxes.

The Ministry of the Interior and Health had an annual budget of approx. DKK 240 billion in 2023. It has the overall responsibility for the health sector with approx. 107,000 individuals employed at the hospitals alone. The ministry is providing essential services to the citizens and is placed high on the list of ministries to which we allocate our resources.

We are equally concerned with the Ministry of Defence, which had a staff of 20,000 and total appropriations of DKK 35.9 billion in 2023. In the coming years, significant investments will be made in Danish defence, and we do not anticipate a reduction in the utilization of resources in this area in the future.

Find our reports on major studies on www.rigsrevisionen.dk.

Financial performance

In 2023, Rigsrevisionen's expenditure was DKK 238.9 million, of which staff expenditure was DKK 191.2 million and operating expenditure was DKK 47.7 million. The sale of assets generated an income of DKK 0.1 million.

The budget of Rigsrevisionen, incorporating the income of DKK 0.1 million, totalled DKK 235.4 million. Investing in IT and implementing a new strategy resulted in an anticipated total deficit for the year of DKK 3.5 million.

How we spent our money in 2023

Expenditure	DKK millions
Total operating expenditure	186.0
Annual audit including the reports on the audit of the public accounts and the government's administration	93.8
Major studies	70.5
Audit of other financial statements not included in the public accounts	15.7
Memorandums (design memorandums and follow-up memorandums)	6.0
Total administration expenditure	43.3
IT, economy, legal adviser, HR, secretariat and top management	23.6
Other operating costs	19.7
Total development expenditure	9.6
Annual audit	6.3
Major studies	3.3
Rigsrevisionen's total expenditure in 2023	238.9

In 2023, we spent DKK 186 million (78% of our total expenditure) on our core tasks (annual audit and major studies).

The expenditure for administrative and other operational expenses was approximately DKK 43.3 million, accounting for approximately 18% of our total expenditure in 2023.

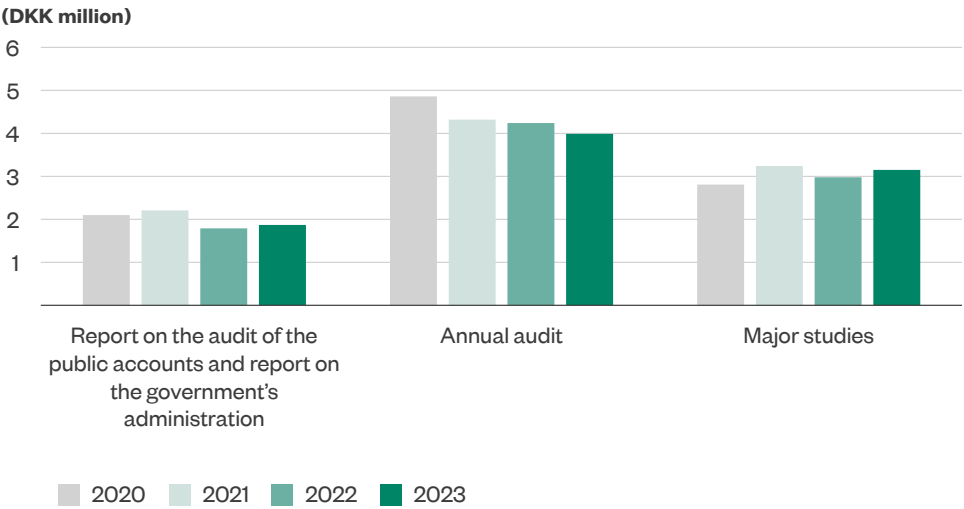
Development costs of DKK 9.6 million made up 4% of our total expenditure.

The allocation of expenditures is consistent with that of 2022. The allocation of costs is based on time records and accounting data.

Unit costs

Unit costs include production time, operating costs and overhead. Production time that cannot be directly allocated to a particular product is allocated in a proportionate manner to the individual products. All numbers have been adjusted for inflation and wages (2023 level).

Unit costs in the years from 2020 to 2023

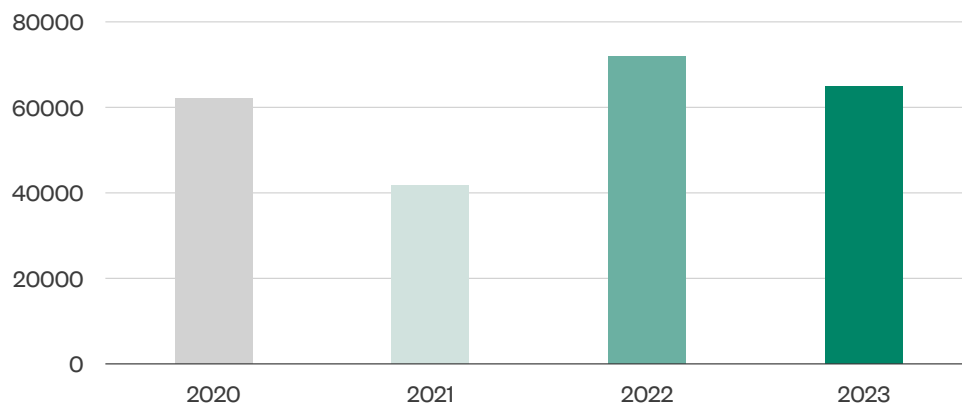


The costs incurred for the audit of the public accounts and the government’s administration totalled DKK 1.9 million in 2023, which is largely comparable to the costs incurred in 2022.

Unit cost of annual audit by ministerial department decreased marginally from DKK 4.2 million in 2022 to DKK 4 million in 2023. The numbers cover ongoing and closing audit of the individual ministerial remits included in the public accounts.

Rigsrevisionen submitted 18 reports on major studies to the Public Accounts Committee in 2023 – one fewer than in 2022. The unit cost per study was DKK 3.2 million in 2023, i.e. DKK 0.2 million up on 2022.

Unit costs of memorandums in the years from 2020 to 2023



Rigsrevisionen works out various types of memorandums. The most important memorandums follow up on the ministers' reports on the steps they intend to take to address issues raised in the reports that we have submitted to the Public Accounts Committee.

The Public Accounts Committee is responsible for determining whether individual follow-up items or an entire report can be closed. The Public Accounts Committee's comments, the minister's reports and Rigsrevisionen's follow-up memorandums are published to promote transparency and capture the public's attention. Moreover, the pivotal role played by the members of the Public Accounts Committee in the process aids in maintaining the politicians' attention and enhancing our impact.

The unit costs of memorandums were approx. DKK 65,000 in 2023. Comparing the expenses of memorandums can be challenging because the individual studies we monitor are often very different in terms of complexity, scope and other factors.

Performance in 2023



20

Target: The technical quality of our reports receives a rating of satisfactory by the external evaluators.

20

16 out of 20 reports received a rating of satisfactory by the external evaluators and 4 were rated very satisfactory.



95%

Target: 95% of all unresolved issues in the reports must be addressed within four years.¹⁾

79%

79% of all unresolved issues in the reports were addressed in 2023. Thus, the target was partially achieved.²⁾



20

Target: In addition to paying the major enterprises audit visits, we intend to visit – as a pilot – also 20 small public enterprises in 2023.

20

The annual audit department visited 20 small public enterprises.



25%

Target: 25% of our reports address issues that concern more than one ministerial department.

45%

9 out of 20 reports submitted in 2023 concerned more than one ministerial department.



6

Target: The quality of communication in a selection of our reports receives a rating of satisfactory by an external evaluator.

5

1 out of 6 selected reports received a rating of very satisfactory, 4 reports were satisfactory and 1 report was rated less satisfactory. Thus, the target was partially achieved.³⁾



¹⁾ We measure our performance based on audits that we followed up in 2019 with a so-called section 18, sub-section 4 memorandum that addresses the ministers' response to our reports.

²⁾ Partially achieved as 70 to 85% of all unresolved issues in the reports were closed after four years.

³⁾ Partially achieved as one report was rated less satisfactory.

Other indicators

The nine key performance indicators listed below provide an overview of Rigsrevisionen's production and results in 2023. Figures for 2022 are indicated in brackets.



20 (21)

reports submitted to the Public Accounts Committee.



4,312 (3,838)

So many times, did the media refer to Rigsrevisionen's reports and audit findings.¹⁾



93 (68)

memorandums submitted to the Public Accounts Committee.



78% (79%)

of our funds went into delivering our core services.



23 (22)

audit opinions issued on public accounts.



**1,200,259
(1,011,933)**

visits to our website.



75 (83)

audit opinions issued on financial statements concerning government bodies and enterprises, that are not included in the public accounts, and on EU project accounts.



52 (25)

times were our reports on the agenda of relevant committee meetings in the Danish parliament.



4.1 (3.9)

out of a maximum of 5. This is how the auditees scored our work processes and communication in the annual client survey.

¹⁾ No. of references made to Rigsrevisionen and the Public Accounts Committee in printed and web-based media.

2024 performance targets and expectations

We have defined five targets for 2024 that support our strategy. They are all – with minor adjustments – identical with the 2023 targets. We have adjusted the target set for closing unresolved issues in the reports (target no. 2) from 95% to 85%. It is still an ambitious target but more realistic. We have increased the number of small government agencies and bodies that we intend to visit from the 20 in the pilot in 2023 to 30 in 2024 (target no. 3). This will ensure that we – in the course of a three-year period – will have visited all government agencies and bodies, irrespective of their size.

1. The technical quality of our reports receives a rating of satisfactory by the external evaluators.

2. 85% of all unresolved issues in the reports are addressed within four years.

3. We visit minimum 30 small government agencies and bodies to ensure that we will have visited all government agencies and bodies in the course of a three-year period.

4. 25% of our reports address issues that concern more than one ministerial department.

5. The quality of communication in a selection of our reports receives a rating of satisfactory by an external evaluator.

Our people

Our people in numbers

	2019	2020	2021	2022	2023
Staff					
Full-time equivalents (FTE)	287	273	266	267	282
Staff turnover ¹⁾	13.0%	12.3%	17.6%	19.0%	13.4%
Sickness absence (days)					
Total per FTE	5.7	3.5	5.0	7.3	7.5
Distribution by gender					
Females	52.5%	52.0%	52.0%	54.0%	51.7%
Men	47.5%	48.0%	48.0%	46.0%	48.3%
Female managers	45.8%	45.8%	45.8%	54.2%	54.2%
Staff composition					
Students	11	8	8	9	10
Office clerks	19	17	15	14	14
Auditors	119	107	107	120	113
Consultants	63	64	58	45	64
Senior consultants	51	52	54	55	57
Managers	24	25	24	24	24

Note: Staff turnover is based on numbers from a government statistics database (ISOLA).

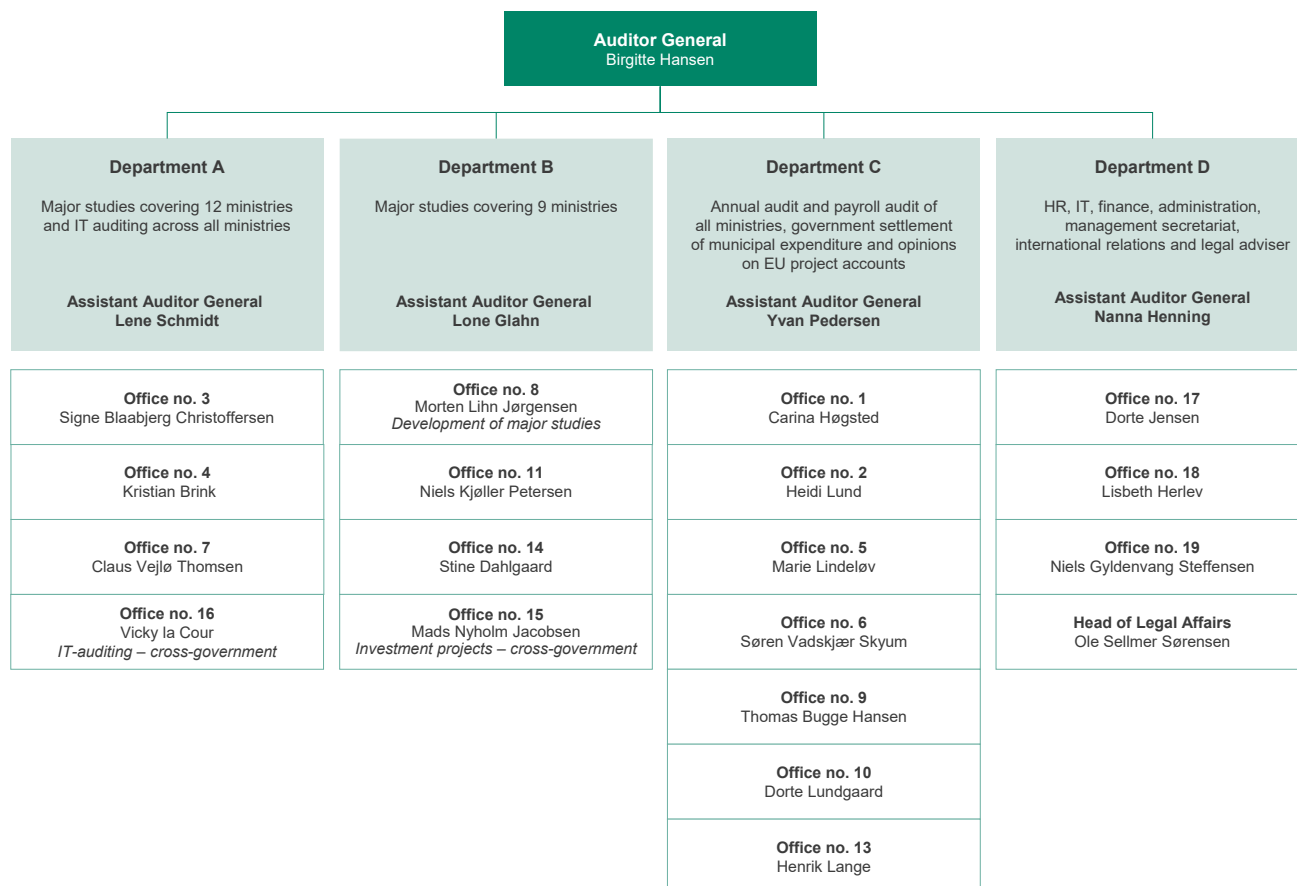
Staff turnover has decreased from 19% in 2022 to 13.4% in 2023. Compared to 2022, 17% fewer people resigned from Rigsrevisionen in 2023. The rate of staff turnover across all government bodies also decreased in 2023 and currently stands at 13%. For the ministerial departments the average turnover rate is 21%.

At year-end, we had 282 full-time equivalents (FTE), which is 15 more than in 2022. The new employees have been taken on to strengthen the IT-audit, planning and development of major studies, in accordance with our strategy.

The number of sick days per FTE increased from 7.3 days in 2022 to 7.5 days in 2023. In 2023, sickness absence for all the ministerial departments was 8.9 days per FTE and across the government it was 10 days.

Rigsrevisionen employs a few more women than men.

Organisation chart



Rigsrevisionen's CO₂-emission

	2021		2022		2023	
	Consumption	CO ₂ -emission	Consumption	CO ₂ -emission	Consumption	CO ₂ -emission
Electricity (IT and consumption)	158,408 kWh	32.2 tons	188,771 kWh	38.5 tons	194,423 kWh	39.7 tons
Air transport ¹⁾	84,000 km	13.9 tons	439,308 km	67.8 tons	309,052 km	60.6 tons
Train journeys (38 grams per transport krone)	DKK 67,950	2.4 tons	DKK 112,250	3.8 tons	108,964 kr.	3.8 tons
Official journeys, own car ²⁾	13,650 km	2.4 tons	17,737 km	3.1 tons	20,245 km	3.5 tons
Copying paper			859,574 sheets	4.4 tons	756,268 sheets	3.9 tons
Total		50.9 tons		117.6 tons		111.5 tons

¹⁾ The impact of air transport in 2021, 2022 and 2023 has been calculated based on radiative forcing. The numbers reported for 2021 and 2022 are therefore not immediately comparable to those previously reported.

²⁾ The emission associated with official journeys - own car in 2021, 2022 and 2023 has been calculated based on an average of the emission factors applicable to both petrol and diesel cars. Before, our calculation was based on the assumption that all transport took place in petrol cars.

Note: The calculation of Rigsrevisionen's CO₂-emission adheres to the Greenhouse Gas Protocol recommendations and guidelines, to the widest possible extent.

Rigsrevisionen's total CO₂-emission decreased by 6.1 ton compared to 2022. The emission from air transport, train transport and consumption of copying paper decreased by 7.7 tons which was partly offset by an increase in emission from electricity and official journeys by car of 1.6 tons.

Financial statements

Rigsrevisionen's financial statements 2023

Statement of income and expenditure

(DKK '000)	Notes	Actual 2022	Budget 2023 (not audited)	Actual 2023	Budget 2024 (not audited)
Ordinary operating income:					
Appropriation		(227,700)	(235,300)	(235,300)	(239,600)
<i>Sale of goods and services:</i>					
External sale of goods and services	3	(11)	(20)	(11)	(20)
Total ordinary operating income		(227,711)	(235,320)	(235,311)	(239,620)
Ordinary operating expenditure:					
<i>Consumption expenditure:</i>					
Rent		13,710	14,100	15,120	15,000
Total consumption expenditure		13,710	14,100	15,120	15,000
<i>Staff costs:</i>					
	7				
Salaries		158,057	165,871	166,056	174,900
Other staff costs		(1,631)	220	305	240
Pension		26,112	27,109	27,905	28,630
Salary refunds		(2,047)	(2,000)	(3,075)	(2,070)
Total staff costs	6	180,492	191,200	191,191	201,700
Amortisation, depreciation and write-downs	2	3,107	3,100	3,441	3,600
Inter-government purchase of goods and services		1,036	1,050	1,218	1,100
Other ordinary operating expenditure		23,472	25,550	27,646	27,420
Total ordinary operating expenditure		221,816	235,000	238,616	248,820
Result of ordinary operations		(5,895)	(320)	3,305	9,200
<i>Other operating items:</i>					
Other operating income		0	0	(124)	0
Other operating expenditure		0	0	0	0
Result before financial items		(5,895)	(320)	3,181	9,200
<i>Financial items:</i>					
Financial expenditure		266	320	282	300
Result before extraordinary items		(5,629)	0	3,464	9,500
Extraordinary income		0	0	0	0
Extraordinary expenditure		0	0	0	0
Result for the year		(5,629)	0	3,464	9,500

Note: Signs (brackets) used in the statement of income and expenditure follow the practice of the government's consolidation and reporting system, SKS.

Balance sheet

(DKK '000)	Notes	31 December 2022	31 December 2023
ASSETS:			
Fixed assets:			
<i>Tangible fixed assets:</i>			
Leasehold improvements		430	320
Furniture and IT equipment		6,518	3,516
Total tangible fixed assets	2 and 6	6,949	3,836
<i>Financial assets investments:</i>			
Government guarantee	9	3,378	3,378
Total fixed assets:		10,327	7,214
Current assets:			
Receivables		4,391	5,594
<i>Cash:</i>			
Non-interest-bearing account		42,114	49,229
Funding account		5,820	385
Other cash		0	40
Total cash funds		47,934	49,654
Total current assets		52,326	55,248
Total assets		62,652	62,462
LIABILITIES:			
<i>Equity:</i>			
Adjusted equity (opening balance)		(3,378)	(3,378)
Surplus carried forward	8	(33,399)	(29,935)
Total equity		(36,777)	(33,313)
Provisions	4	(3,277)	(4,277)
<i>Long-term liabilities:</i>			
Long-term debt		(5,655)	(4,470)
Total long-term liabilities		(5,655)	(4,470)
<i>Short-term liabilities:</i>			
Goods and services		(3,935)	(6,505)
Other short-term debt:	5	(4,612)	(5,116)
Holiday allowance and overtime pay, etc.	5	(8,397)	(8,780)
Total short-term liabilities		(16,944)	(20,401)
Total liabilities		(62,652)	(62,462)
Accounting policy applied	1		

Note: Signs (brackets) use in the balance sheet follow the practice of the government's consolidation and reporting system, SKS.

Distribution of deficit

(DKK '000)	
Result for the year	(3,464)
Eliminated	0
Transferred to the national purse	0
Deficit carried forward	(3,464)

Equity

(DKK '000)	2022	2023
Equity, opening balance	(31,148)	(36,777)
Opening balance adjustment	(3,378)	(3,378)
Changes to adjusted equity	0	0
Closing equity value adjustment	(3,378)	(3,378)
Value of surplus carried forward, opening	(27,770)	(33,399)
Result for the year	(5,629)	3,464
Value of surplus carried forward, closing	(33,399)	(9,935)
Equity, closing	(36,777)	(33,313)
Equity as per balance sheet	(36,777)	(33,313)
Equity as per balance sheet less equity	0	0

Income and expenditure - pensions

(DKK '000)	2022	2023	Budget 2024 not audited
Ordinary operating income:			
Net appropriation	(9,100)	(9,700)	(9,800)
Operating grants	(1,249)	(1,014)	(1,300)
Total ordinary operating income	(10,349)	(10,714)	(11,100)
Ordinary operating expenditure:			
Other staff costs	10	10	0
Pension costs	10,558	10,802	11,100
Total ordinary operating expenditure	10,568	10,812	11,100
Result of ordinary operations	220	98	0
Result before financial items	220	98	0
Result before extraordinary items	220	98	0
Result for the year	220	98	0

Balance sheet - pensions

(DKK '000)	Note	31 December 2022	31 December 2023
ASSETS:			
Current assets:			
Receivables		0	(906)
Total current assets		0	0
Total assets		0	(906)
LIABILITIES			
Equity		(95)	826
Total equity		(95)	826
Total long-term debt		0	0
Other short-term debt		95	80
Total short-term debt		95	80
Total liabilities		0	906
Pension benefit obligations	10		

Notes to the financial statements

Note 1. Accounting policy applied

The financial statements are presented in accordance with the accounting standards applying to Rigsrevisionen. Rigsrevisionen's appropriation accounts are accrual-based, whereas its accounts for pension payments are cost-based. The accounting policy applied is identical to the policy applied to similar government appropriations.

The accounting year is the tax year. Income is recognised in the income statement when earned and expenditure is recognised when consumed. However, when goods delivered are not stocked and operating equipment is not capitalised, then the accrual accounting principles are used in combination with the principle of legal claim.

The balance sheet reflects Rigsrevisionen's total assets and liabilities.

The accounting policy applied is the same as in previous years.

Expenditure is accrued as follows:

- Payroll costs are expensed as incurred.
- Holiday allowance and provisions for accumulated overtime are expensed once a year.
- Consumption of goods and services, taking place within the same tax year and 12 months after delivery or the performance of the work, is recognised upon delivery or when the work has been performed.
- Tangible assets are included in the balance sheet when the asset has a value of DKK 50,000 or above, or voluntary combination of the value of office equipment and IT exceeds the threshold of DKK 50,000. The life of the assets is determined in accordance with government rules.
- For liabilities that do not concern the delivery of goods and services, a provision or a short-term liability is recorded when a legally binding event has occurred and the liability has become plausible and can be estimated.

Income is recognised when a service has been provided and a legal entitlement to receive payment has been obtained.

When a service has been provided and a legal entitlement to receive payment has been obtained, income is recognized.

The provisions concerning holiday allowance, overtime payment, severance payment, and maintenance of the leased office space must be maintained to the level required by the property owner, should the lease be terminated.

Pension payments to public officials are currently expensed. No provisions are made for future pension benefits in the balance sheet. Nevertheless, the expense of payroll is equivalent to that of a technical pension benefit provision. In note 10, the pension benefit obligation for 2023 is based on an actuarial estimate carried out early in 2024.

Data from Navision Stat, LDV, SKS and SB provides the basis for Rigsrevisionen's financial statements.

Figures in the financial statements may be rounded.

Note 2. Tangible fixed assets

(DKK '000)	Buildings	IT equipment	Furniture and fittings	Total
Cost, opening balance	4,354	17,940	1,936	24,230
Additions during the year	0	328	0	328
Disposals during the year	0	0	0	0
Cost, closing balance as at 31 December 2023	4,354	18,268	1,936	24,558
Accumulated depreciation as at 31 December 2023	(4,034)	(12,912)	(1,757)	(18,703)
Net asset value as at 31 December 2023	320	3,466	50	3,836
Depreciation during the year	(111)	(3,313)	(17)	(3,441)

Rigsrevisionen has no intangible assets. Tangible fixed assets relating to buildings include leasehold improvements of the premises leased by Rigsrevisionen. The majority of fixed assets are made up of IT equipment. Additions during the year include procurement of PCs and iPhones.

The government guarantee of DKK 3.4 million represents Rigsrevisionen's financial assets. The amount is the same as in 2020 (note 9).

Note 3. Sale of services

Rigsrevisionen charges a fee for making external presentations during conferences etc. Additionally, the sale of used furniture generates income. The pricing policy applied is in accordance with Rigsrevisionen's accounting instructions.

Note 4. Provisions for maintenance

Rigsrevisionen leases 6,523 square meters of office space. We have in 2023 made a provision of DKK 730,000 for the refurbishment of the office space. Provisions for future refurbishment are made for a ten-year period that began in 2018. The total provision has been calculated based on the landlord's estimated expenditure of DKK 850 per square meter. The provision made for refurbishment was DKK 4.1 million by the end of 2023. Furthermore, we have made a provision of DKK 0.2 million to cover Rigsrevisionen's financial obligations to the auditor general upon expiration of her mandate expires.

Note 5. Holiday allowance and overtime

Holiday allowance

Rigsrevisionen's provision for holiday allowance is DKK 8.8 million and thus on level with 2022 (DKK 8.4 million). The primary reason for the increase in man-years in 2023 is outlined in the section titled *Our people in numbers*.

Overtime

Overtime is included under 'Other short-term debt'. In 2023, overtime was DKK 1.3 million, i.e. DKK 0.1 million up on 2022.

Total staff related provisions made up DKK 10.1 million.

Note 6. Utilisation of borrowing limit

Rigsrevisionen depreciates fixed assets on a quarterly basis and makes relevant cash transfers between the respective SKB bank accounts (government payment system).

	2023
Total fixed assets	3,835,732
Borrowing limit	7,500,000
Utilisation rate	51.1%

Note 7. Payroll cap

(DKK '000)	Accumulated savings opening balance 2023	Actual 2023	Accumulated savings closing balance 2023
Payroll cap	-	191,200	-
Salaries paid	-	191,191	-
Variance		9	
Carried forward from previous years	21,720		21,729

Rigsrevisionen is required to observe the payroll cap indicated in the Finance Act. Rigsrevisionen may exceed the cap by carrying forward savings in salaries from previous years.

Note 8. Appropriation accounts

(DKK million)	Actual 2022	Finance Act and additional appropriation 2023	Budget 2023 (not audited)	Actual 2023	Variance 2023	Budget 2024 (not audited)	Finance Act 2024
Net appropriation	227.7	235.3	235.3	235.3	0	239.6	239.6
Income	0	0	0	(0.1)	0.1	0	-
Expenditure	222.1	235.3	235.3	238.9	(3.6)	249.1	239.6
Result for the year	5.6	0	0	(3.5)	3.5	9.5	0
<i>Accumulated result:</i>							
Accumulated surplus opening balance 2023				33.4			
Result for the year				(3.5)			
Accumulated surplus to be carried forward				29.9			

Rigsrevisionen exceeded its budget by DKK 3.5 million in 2023.

Note 9. Government guarantee and opening balance equity

The adjusted opening balance reflects the funding allocated to Rigsrevisionen by the Danish government to cover potential shortfalls. The value of the adjusted opening balance and the government guarantee corresponds to the limit of fluctuation set for Rigsrevisionen's accumulated deficit. The opening balance is an immaterial asset that is offset in the balance sheet by the government guarantee. The government guarantee represents 2 per cent (DKK 3.4 million) of the 2006 gross expenditure.

Note 10. Pension benefit obligation

(DKK million)	As per 31 December 2022	As per 31 December 2023
Pension benefit obligation	215,5	218,1

Rigsrevisionen's aggregate pension benefit obligations to current public officials (including the capital value of any future increase in retirement age) and retired public officials was DKK 215.5 million as of 31 December 2023. As per 31 December 2023 the obligation has been increased to DKK 218.1 million.

Rigsrevisionen's pension benefit obligation is reviewed every fifth year by an actuary. In the intermediary years, the value is adjusted to reflect any additions or departures from the scheme. However, Rigsrevisionen has decided to recalculate the value of the in 2023, based on the economic development.

Management statement

Today the management of Rigsrevisionen presented the annual report and financial statements for 2023 for the primary account no. 03.31.11. Rigsrevisionen, and for subsidiary account no. 03.41.01.60. Rigsrevisionen's pensions. The financial statements have been prepared under the accounting regulations applicable to Rigsrevisionen and form an integral part of the financial statements of the Folketing.

We confirm that:

- the annual report is correct, i.e. free from material misstatements or omissions, and the target setting and reporting are adequate;
- the transactions included in the financial statements are consistent with appropriations granted, legislation and other regulations, agreements made and generally accepted practice;
- the business procedures established ensure financially appropriate administration of the funding for which the financial statements are presented.

Copenhagen 2 April 2024

Birgitte Hansen
Auditor General

Nanna Henning
Assistant Auditor General

The independent auditor's opinion

To the Presidium of the Folketing

Auditor's report on the annual financial statements

Conclusion

We have conducted an audit of the financial statements of Rigsrevisionen for the financial year 1 January 2023 - 31 December 2023 that comprise income statement, balance sheet and notes, including accounting policy applied, as indicated on pages 21 to 29. The financial statements have been prepared in accordance with the accounting regulations applicable to Rigsrevisionen.

In our opinion, the financial statements are correct in all material aspects and have been prepared in accordance with the accounting regulations applicable to Rigsrevisionen. Rigsrevisionen's financial statements form an integral part of the financial statement of the Folketing.

Basis for opinion

We conducted our audit in accordance with international auditing standards and additional regulations applicable in Denmark, and the public-sector auditing standards as the audit is conducted on the basis of the regulations of the audit instructions issued by the Presidium of the Folketing to the auditor of the Folketing. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Folketing in accordance with international ethical principles for auditors (IESBA's ethical standards) and any additional regulations applicable in Denmark, and we have fulfilled our other obligations in accordance with these ethical standards and requirements. In our opinion, the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter

The income and expenditure statement and note 8 for the financial year 1 January - 31 December 2023 include the approved budgets for 2023 and 2024. As indicated in the financial statements, these budget figures are not subject to audit. This does not affect our audit opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the accounting regulations that apply to Rigsrevisionen. Management is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Rigsrevisionen's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements, unless management either intends to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial statements

Our objective is to obtain reasonable assurance that the financial statements are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with international auditing standards, the additional regulations that apply in Denmark, including the public-sector auditing standards, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions made by financial statements users based on these financial statements.

As part of an audit conducted in accordance with international auditing standards, the additional regulations that apply in Denmark, including the public-sector auditing standards, the regulations of the audit instructions issued by the Presidium of the Folketing to the auditor of the Folketing, we exercise professional judgment and maintain professional scepticism through the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The probability of detecting a material misstatement resulting from fraud is lower than that of one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the overriding of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rigsrevisionen's internal control.
- Evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Rigsrevisionen's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are founded on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Rigsrevisionen to cease to continue as a going concern.

We communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management report

Management is responsible for delivering the management report.

Our opinion on the financial statements does not include the management report and we do not express any form of assurance conclusion on the management's review.

In connection with our audit of the financial statements, we are responsible for reading the management report and considering whether or not the management report is materially inconsistent with the financial statements, our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Furthermore, we consider whether the management report includes disclosures required by the accounting regulations applicable to Rigsrevisionen.

Based on the work performed by us, we believe that the management report is in accordance with the financial statements and has been prepared in accordance with the accounting regulations applicable to Rigsrevisionen. We have not identified any material misstatements in the management report.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for the consistency of transactions comprised by the financial reporting with appropriations, legislation and other regulations as well as with agreements concluded and generally accepted practice, and for due financial considerations being considered in the administration of the funds and the operation of the enterprises comprised by the financial statements. Management is in this connection responsible for establishing systems and processes that support economy, efficiency and effectiveness.

In accordance with the public-sector auditing standards, it is our responsibility, in conjunction with our audit of the financial statements, to select the subject matters relevant to both the compliance audit and the performance audit. During a compliance audit, we verify with reasonable assurance that the subject matters selected are consistent with appropriations, legislation and other regulations as well as agreements concluded and generally accepted practice. During a performance audit, we assess with reasonable assurance whether the systems, processes or transactions examined support that due financial considerations are considered in the administration of the funds and the operation of the enterprises comprised by the financial statements.

If, based on the work performed, we conclude that our audit gives rise to material critical comments, we are to report on these.

We do not have any material critical comments to report in this respect.

Copenhagen 2 April 2024

PricewaterhouseCoopers
State-authorized accountants
CVR-no. 33 77 12 31

Jesper Randall Petersen
State-authorized Public Accountant