



**FOLKETINGET
STATSREVISORERNE**



**FOLKETINGET
RIGSREVISIONEN**

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

The audit of the Danish government's administration in 2023

1. Purpose and conclusion

1. This report concerns the government's administration. In the course of the audit of the Danish public accounts for the year 2023, Rigsrevisionen conducted 39 thematic audits. The report presents 4 cases that will be brought to the attention of the Danish Public Accounts Committee.

The objective of the thematic audits is to assess either whether a particular department is complying with specific regulations (*compliance audit*), or to assess whether a department has established systems and processes that support the economy, efficiency and effectiveness of public spending (*performance audit*). Our audits do not provide a basis for an overall conclusion on the government's administration.

Below are the two types of conclusions used in the report.

Figure 1
Rigsrevisionen's conclusions in compliance and performance audit

COMPLIANCE AUDIT		PERFORMANCE AUDIT	
POSITIVE OPINION	CRITICAL REMARK	POSITIVE OPINION	CRITICAL REMARK
			
No material regulatory breaches	Material regulatory breaches	No material administrative shortcomings	Material administrative shortcomings

As it appears from figure 1, the materiality of the regulatory breaches and administrative shortcomings that we find has an impact on our audit opinion. In a compliance audit, a regulatory breach is considered material if it has a financial impact exceeding DKK 100 million or accounts for more than 10% of the expenses or revenue pertaining to the audited area, like, for instance, the ministry's payroll expenses or fee revenue. Whether a regulatory breach has considerable consequences for the citizens and companies can also affect the assessment of materiality. Administrative shortcomings are material when they affect the administration to the extent that the systems and processes fail to support the economy, efficiency and effectiveness of the ministry's administration of the theme in question.

A *positive conclusion* indicates that we have not identified any material regulatory breaches or administrative shortcomings. However, the auditor may have identified breaches and shortcomings of limited scope that we have brought to the attention of the ministry.

A *critical remark* indicates material breaches or that the administrative shortcomings have a material impact on the ministry's administration.



Conclusion

The 23 *compliance audits* carried out by Rigsrevisionen showed that the ministries had managed funds in compliance with the rules in all material respects.

The 16 *performance audits* carried out by Rigsrevisionen showed that the ministries had, in all material respects, operated in accordance with the principles of economy, efficiency and effectiveness.

None of the 39 thematic audits conducted by Rigsrevisionen in 2023 resulted in critical remarks.

In the report, Rigsrevisionen mentions four cases affected by breaches of rules or administrative shortcomings of limited scope:

- The Ministry of Taxation has not managed the collection of overdue alimony payments in a satisfactory manner. Rigsrevisionen finds that the ministry has taken too long to determine how the inadequate administration would affect the period of limitation and thus the collection of debt.
- An audit of 98 severance agreements revealed that all five regions and four ministries had failed to observe the regulations in half of the agreements.
- The Ministry of Taxation has not adequately addressed the fact that a three-year old debt collection system is based on an application that is no longer being security updated.
- An IT project managed by the Ministry of Food, Agriculture and Fisheries has been delayed, which has increased the cost of the project and failed to achieve the goal set for the project.

1.1. Background

Table 1 lists the 39 thematic audits conducted in 2023 broken down on 21 ministries and the five regions. The audit has been planned to ensure that the financially significant areas of the ministry are audited every five years.

Table 1
Audits of the administration of the ministries and regions in 2023

	Compliance audit: Are the rules observed?							Performance audit: Is the authority supporting economic, efficient and effective administration?								
	Procurement	Salary and employment	Sales	Collection of fees	Allocation of grants	Transfer of entitlements	Debt collection	Collection of taxes and fees	Management of activities and resource	Performance management	Management of procurement	Management of multi-annual investment budgets	Management of grant schemes	Collection of taxes and fees	Debt collection	Security updates
The Prime Minister's Office																
Ministry of Foreign Affairs				●												
Ministry of Finance									●							
Ministry of Industry, Business and Financial Affairs									●							
Ministry of Taxation		●					●	●	●					●		●
Ministry of Economic Affairs																
Ministry of Justice		●		●		●			●							
Ministry of Defence		●	●						●							
Ministry of Immigration and Integration		●								●						
Ministry of Social Affairs, Housing and Senior Citizens																
Ministry of Domestic Affairs and Health		●			●	●							●			
Ministry of Employment						●										
Ministry of Higher Education and Science										●						
Ministry of Children and Education					●								●			
Ministry of Culture					●								●			
Ministry of Ecclesiastical Affairs		●								●						
Ministry of Environment					●								●			
Ministry of Food, Agriculture and Fisheries		●										●				
Ministry of Digital Government and Gender Equality	●									●						
Ministry of Transport		●														
Ministry of Climate, Energy and Utilities						●										
The five regions		●														

● Positive audit opinion □ The audit is referred to in the report

The eight audits framed in red in the table are mentioned to in the report. Five of the cases concern the same cross-departmental audit concerning severance agreements in four ministries and the five regions.

We monitor 34 cases from previous reports on the government's administration and the audit of the public accounts. We review the cases regularly to ensure that the ministries have addressed the issues raised in our reports. This report solely mentions cases that we have closed or cases where the ministries have not responded to our severe criticism.