



Annual Report 2015



Annual Report of the National Audit Office for 2015

191st year of operations

HELSINKI 2016

Operations 2015



“Our operations are based on successful auditing, evaluation and monitoring of central government finances and on contributing to sustainable renewal of general government finances and public administration.

We produce topical audit, evaluation and monitoring information, which is of central importance to decision-makers when they develop operations.

We foresee changes in our operating environment, react to them when producing plans and reports and justify our priorities in a transparent manner.”

In a situation where general government finances and public administration are facing change pressures, we have continuously emphasised that the tasks of the public administration should be adjusted and prioritised in accordance with the available economic resources so that public services and official tasks can also be performed in an effective manner in the future.

In the content of our reports to Parliament, the focus is on issues that are important to the national economy and central government finances. According to the results of a stakeholder survey, we have succeeded in ensuring that our audit, evaluation and monitoring reports are authoritative and have an impact on decision-making. Likewise, constructive interaction and the level of our competence have generated positive feedback. Expressing conclusions in a concrete manner, ensuring customer-oriented operations and reporting and focusing on essential issues are the main areas where improvements are still needed.

Reliable information verified by means of financial audits is the basis for credible financial management and, consequently, a prerequisite for sustainable financial management. By cooperating with a broad range of different actors in the development of group-level services and solutions in central government, we are working to ensure that the procedures and systems are in accordance with the principles of good governance and promote efficient financial administration. In its performance audits, the National Audit Office has highlighted the prerequisites for successful implementation of structural policy reforms. More than half of the recommendations set out in the performance audits are implemented, at least to a significant degree, which is a substantial proportion when compared with other countries. The new structure of our audit reports and a greater focus on visualisation have helped to make the information that we produce easier to use and more legible.

Fiscal Policy Evaluation has presented an overall assessment of compliance with the Stability and Growth Pact and the management of general government finances. In evaluation, our focus was on the effectiveness of the Stability and Growth Pact in a prolonged economic downturn.

Review by the Auditor General

Oversight of election campaign and political party funding has played a major role in ensuring the openness of election campaign and political party funding.

My view is that, as a whole, our operations are effective. Changes in our operating environment and the prerequisites for our competence and performance are also extensively discussed in the planning and monitoring of our operations. Agreement on development measures still requires discussions within the National Audit Office and with our stakeholders.

We produce essential information that is important to decision-makers, using scarce public resources. Against this background, we are also working to make our own operations more efficient. External performances accounted for 76 per cent of the effective working hours. The expenditure of the National Audit Office increased by 0.9 per cent from the previous year. The price of the National Audit Office's performance day (profitable price charged by NAOF for its services) decreased by 1.5 per cent, compared with 2014. The trend in the personnel structure of the National Audit Office was in accordance with the agency's stability and efficiency programme.

Changes in the operating environment have an impact on competence expectations

The workplace atmosphere at NAOF is at the level of an average Finnish workplace. In some of our departments, it is substantially above average. Sickness absenteeism amounts to 4.6 days/person-year, which is less than in central government as a whole.

Competence is one of our most important resources. The focus in competence development is on method training and successful introduction of new operating practices. A total of 12.1 person-days was used for competence development per person-year.

Overall assessment

I would like to thank our inspiring and competent personnel as well as our stakeholders, who work in open interaction with us, for their successful work aimed at ensuring effective management of Finland's central government finances and good financial administration.

Tytti Yli-Viikari

Contents

1	Review of operations	11
1.1	Effectiveness and performance targets	12
1.2	Outputs and quality management	20
1.3	Operational efficiency	23
1.4	Management and development of human resources	26
1.5	Analysis of the final accounts	30
1.6	Statement of internal control and approval	31
1.7	Summary of observed abuses	32
2	Compliance with the budget	38
3	Statement of income and expenses	40
4	Balance sheet	41
5	Notes to the final accounts	42
6	Signatures	46
	Appendix 1 Allocation of working hours by department 1 Jan-31 Dec 2015	48
	Appendix 2 End products in 2015	50

1 Review of operations

The National Audit Office is an independent audit, evaluation and monitoring authority and its tasks are laid down in the Constitution of Finland. The National Audit Office is responsible for auditing central government finances and for monitoring compliance with the state budget and fiscal policy rules. The National Audit Office is also responsible for overseeing funding of election campaigns and political parties.

Under the Constitution of Finland, the task of the National Audit Office is to audit the appropriateness and legality of central government finances and compliance with the state budget. The National Audit Office performs its task by conducting performance audits, financial audits, compliance audits and fiscal policy audits. The National Audit Office operates as the national audit body under the Treaty on the Functioning of the European Union, working in cooperation with the European Court of Auditors in the external control of Union funds.

The National Audit Office is tasked under the Act on a Candidate's Election Funding (273/2009) with the oversight of compliance with the obligation to disclose information about election funding, making the funding disclosures available to the public and examining the disclosures. Under the Act on Political Parties (10/1969, amended 683/2010), the National Audit Office is prescribed with the task of supervising compliance with provisions concerning party subsidies, disclosures of election campaign expenditure and funding and the formulation and submission of related documents and information by political parties, affiliated entities and associations referred to in party subsidy decisions.

Provisions on fiscal policy evaluation are contained in the Act on the implementation of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union, the implementation of Treaty provisions of a legislative nature as well as requirements concerning multi-annual budgetary frameworks (869/2012) and the Act on the National Audit Office (amended by Act 870/2012). Under the European Union law, the independent fiscal policy evaluation task is based on the Fiscal Compact and on European Union legislation (Budgetary Frameworks Directive 2011/85/EU and the Regulation on Monitoring Draft Budgetary Plans (EU) 473/2013).

1.1 Effectiveness and performance targets

The National Audit Office supports Parliament in the exercise of its legislative, financial and oversight power and is thus part of the constitutional system implementing and ensuring Parliament's fiscal power.

The National Audit Office's objective is to promote effective and high-quality management of central government finances. A key perspective is to ensure that the social policy objectives set in connection with legislation concerning the state budget and the collection and use of central government funds are achieved and that the Government and administration have taken the necessary measures to achieve them. The objective of supervision of legality of election and political party funding is to promote the openness of election and political party funding and citizens' right to assess the interests of political parties and those holding public elected offices. Another objective is to prevent corruption and influence on the activities of the President of the Republic, Members of Parliament, municipal councillors and parties that is based on inappropriate interests.

The National Audit Office has laid out its performance targets in its 2016–2020 audit plan. NAOF's departments have carried out an assessment of the monitoring of these targets. Effectiveness has been assessed on the basis of the following scale: extremely significant effect, significant effect, moderate effect, little effect.

1.1.1 Strategic effectiveness targets and assessment

1 We provide decision-makers with up-to-date and essential operations.

Indicator: Self-evaluation by department: audit, evaluation and monitoring information for development of PF, FC, FE, stakeholder survey

Assessment: The target has been achieved and we are making a significant contribution by providing decision-makers with up-to-date information and essential audit, evaluation and monitoring information for development of operations.

The purpose of financial audits and compliance audits is to produce information for determining that central government finances are in compliance with the law and the state budget. As part of this process, it is the task of the financial audit in particular to verify the trueness and fairness of the information contained in the final accounts (final accounts and reviews of operations of accounting offices and final central government accounts).

Focus in the performance audits has been on the priority areas laid out in the 2015 risk analysis of central government finances and the national economy. As in previous years, a high proportion of the recommendations presented in the audit reports has been implemented. A total of 30 per cent of the recommendations has been implemented in full or almost in full.

2 We make an important contribution to ensuring that central government finances are in compliance with the law and decisions of Parliament, especially the state budget, and the principles of good governance.

Indicator: Self-evaluation by department: PF, FC, FE, stakeholder survey

Assessment: Of the different audit types of NAOF, financial audit is of greatest importance in this area, and according to its assessment, our activities have made a significant contribution to the achievement of the target.

The purpose of financial audits and compliance audits is to ensure that central government finances are in compliance with the law and the state budget. Verifying the trueness and fairness of the final accounts is also part of the process of verifying that financial management is in compliance with the law.

According to the stakeholder survey, about one half of the central government respondents use financial audit reports in their work. For compliance audit reports, this figure is 36 per cent. The information contained in the financial audit reports is considered adequate. More than half of the respondents considers the conclusions made in the report as feasible.

According to an assessment carried out by the Performance and Fiscal Policy Audit Department, the target has been mostly achieved. However, in performance and fiscal policy audits, the impact is, as a rule, indirect. The issues discussed in performance and fiscal policy audits do not usually concern compliance matters or whether the activities have been in accordance with the state budget.

3

We contribute to the sustainable renewal of general government finances and public administration.

Indicator: Self-evaluation by department: PF, FC, FE, stakeholder survey EO

Assessment: The target has been achieved and we have made a significant contribution. The impact of the performance audits is usually indirect because their results provide prerequisites for sustainable reforms in public administration even though it is not possible to determine whether there is a direct connection with improved sustainability of central government finances. However, the audits have focused on issues that are essential to the target.

The purpose of financial audits and compliance audits is to ensure that central government finances are in compliance with the law and the state budget. As part of this process, it is the task of the financial audit in particular to verify the trueness and fairness of the information contained in the final accounts (final accounts and reviews of operations of accounting offices and final central government accounts).

As a whole, financial audits and compliance audits are focused in accordance with the risk analysis of central government finances and the national economy and the audit plan approved by the National Audit Office. The main priority areas and audit topics are laid out in the audit plan and the departmental plan supplementing it. The focus in them is on materiality from the perspective of final central government accounts and risk assessment at the level of on-budget entities and accounting offices.

4

Feedback provided by audited entities on interaction during audits is at good level.

Indicator: Results of the stakeholder survey: EO

Assessment: The target has been achieved. According to the results of the stakeholder survey, the view is that adequate information about the audit, evaluation and monitoring process is provided and the cooperation with the auditors is smooth and professional and characterised by mutual respect. Stakeholders would like to have more information about the methods and criteria used in the audits. Central government actors would also like to see closer contacts with the audited entities. In fact, the National Audit Office plans to monitor and assess the interaction during the audits by introducing more regular and systematic feedback practices.

5

Audit topics are examined from the perspective of central government finances.

Indicator: Self-evaluation by department PF, FC, FE

Assessment: According to the assessment of the Performance and Fiscal Policy Audit Department, the target has been achieved in audits of entities important to central government finances. However, the economic content of the audit perspective should be strengthened.

Financial audits and compliance audits are focused in accordance with the audit plan approved by the National Audit Office. The main priority areas and audit topics are laid out in the audit plan and the departmental plan supplementing it. The focus in them is on materiality from the perspective of final central government accounts and risk assessment at the level of on-budget entities and accounting offices. The perspective of central government finances is an essential consideration in every financial audit and compliance audit.

6

The conclusions and opinions are based on systematically applied qualitative and quantitative methods of knowledge formation.

Indicator: Self-evaluation by department: PF, FC, FE, assessment of the scientific council

Assessment: The target has been achieved.

Development of knowledge formation, audit methods and competence in performance audits and fiscal policy audits should, however, continue.

Financial audits and compliance audits are conducted in accordance with the general audit manuals and manuals specific to audit types prepared by the National Audit Office. The manuals are based on ISSAI standards. Steering and quality control applied during the audits and quality control measures carried out in specific points help to ensure that when conclusions and opinions are produced, the requirements laid out for audit methods and evidence in NAOF's manuals and good auditing practice are observed.

7

The results of the barometer describing well-being at work are at least at the level of the reference group: overall result, and management, supervisory work, satisfaction with pay, workplace atmosphere, well-being at work, equality, non-discrimination and workload.

Indicator: Survey conducted as part of the workplace well-being barometer

No workplace well-being barometers were conducted in 2015 and thus there are no results-based assessments for the year.

8

Sickness absenteeism is at overall central government levels.

Indicator: Total sickness absenteeism/person-year

Assessment: Sickness absenteeism (4.6 days/person-year) was substantially below the overall central government level (8.6 days/person-year).

9

An average of 10 person-days/person-year is used for competence development.

Indicator: Working hours monitoring, person days used for competence development

A total of 12.1 person-days/person-year was allocated to competence development in 2015.

10

The competence level index laid out in the competence survey (competence level) is improving.

Indicator: Working hours monitoring, person-days used for competence development

The target has been fully achieved. Overall average value of the competence level index was 7.63 (on a scale of 1-10). The competence level index (competence level) has improved. The overall index average stood at 6.9 at the start of 2015.

11

All performance audits, fiscal policy audits Indicator: plans and compliance audits are completed on schedule and the number of person-days used for them does not exceed the person-days allocated in the audit plan. Financial audits are completed by the date specified in the department's plan.

Indicator: Plans

Assessment: Achievement of the target will be assessed in the 2016 final accounts.

1.1.2 Helping Parliament to exercise its budgetary and legislative powers

On the basis of reports issued by the Parliamentary Audit Committee, the National Audit Office monitors the implementation of Parliamentary positions if these have required that the Government report on a matter or if the National Audit Office's audit activities have dealt with related matters.

The matters highlighted in the Audit Committee's reports are mainly based on key findings and conclusions presented to Parliament in the National Audit Office's reports. Parliament's positions concern the most significant matters in which achieving change has been slow. Consequently, matters are also followed over a longer period. Parliament has issued between two and four positions each year that have required the Government to report on a matter. Performance Audit monitors the implementation of the parliamentary positions and reports on its findings as part of the annual report to Parliament.

1.1.3 The National Audit Office's impact on promoting good practices and preventing errors and abuses in administration

The National Audit Office monitors the effects of its own reporting and measures taken on the basis of audit observations. The aim of the monitoring is to strengthen the preventive and accountability impact of the audits and to assess the development of NAOF's own activities. The National Audit Office helps to ensure sustainable public administration and general government finances in central government.

In the report on its activities to the 2015 parliamentary session, the National Audit Office focused on the capacity of the public administration to implement structural changes and integration into society. The National Audit Office has as part of its own work thus served as a partner renewing and developing society at large and central government finances in particular. It has also supported and promoted economically sustainable renewal and innovation.

The Performance Audit and Fiscal Policy Audit Department monitors the implementation of the opinions expressed in its reports and whether any measures have been taken on the basis of the recommendations and the other opinions. The impacts of individual performance audits on audited entities have been assessed through follow-ups, which usually take place about three years after the submission of the report.

A total of 12 follow-ups to performance audits were produced in 2015 (compared with 18 in 2014), in which the implementation of 89 (2014: 100) recommendations issued by the National Audit Office and the measures connected with them were assessed. It is estimated that about 30 per cent (2014: 29%) of the recommendations were implemented in full or almost in full.

Factors influencing the implementation of the follow-up recommendations include the concrete nature and feasibility of the recommendations, resources required for the implementation, administrative environment and the development work under way. Recommendations that support ongoing administrative development work are more likely to become reality and be implemented more quickly than cross-administrative recommendations in which more extensive administrative reforms and changes are proposed.

1.1.4 The National Audit Office's impact on citizens' trust in the proper management and monitoring of central government finances and in public administration

The external auditing of central government finances contributes to the maintenance of justifiable confidence in the proper management of central government finances and the activities of the Government and central government in general. One audit objective is to achieve administration's accountability for good financial management. It takes place by verifying and auditing compliance with the law and the state budget and good and effective financial management. Development needs and shortcomings are also openly highlighted. Trust in public administration and the way in which it works is social capital for the nation, the development of which is difficult to measure or assess in annual performance reporting. Trust also plays a financial role as regards the central government's capability of making the necessary yet difficult decisions required in financial management.

The ability of the National Audit Office to strengthen citizens' trust in central government and central government finances is based on the agency's good reputation.

The supervision of the legality of election and political party funding helps to implement citizens' right to access information about and assess the financial interests of political parties and individuals holding elected public offices. External auditing of central government finances and the supervision of the legality of election and political party funding are elements of the institutional arrangements preventing corruption and promoting good administration. The supervision of election and political party funding has also expanded the scope of the National Audit Office's duties into the field of general legality supervision.

By verifying the realisation of governance accountability, audits strengthen citizens' expectations regarding good and effective financial management. Audit information also allows citizens to assess the work of central government authorities and its results.

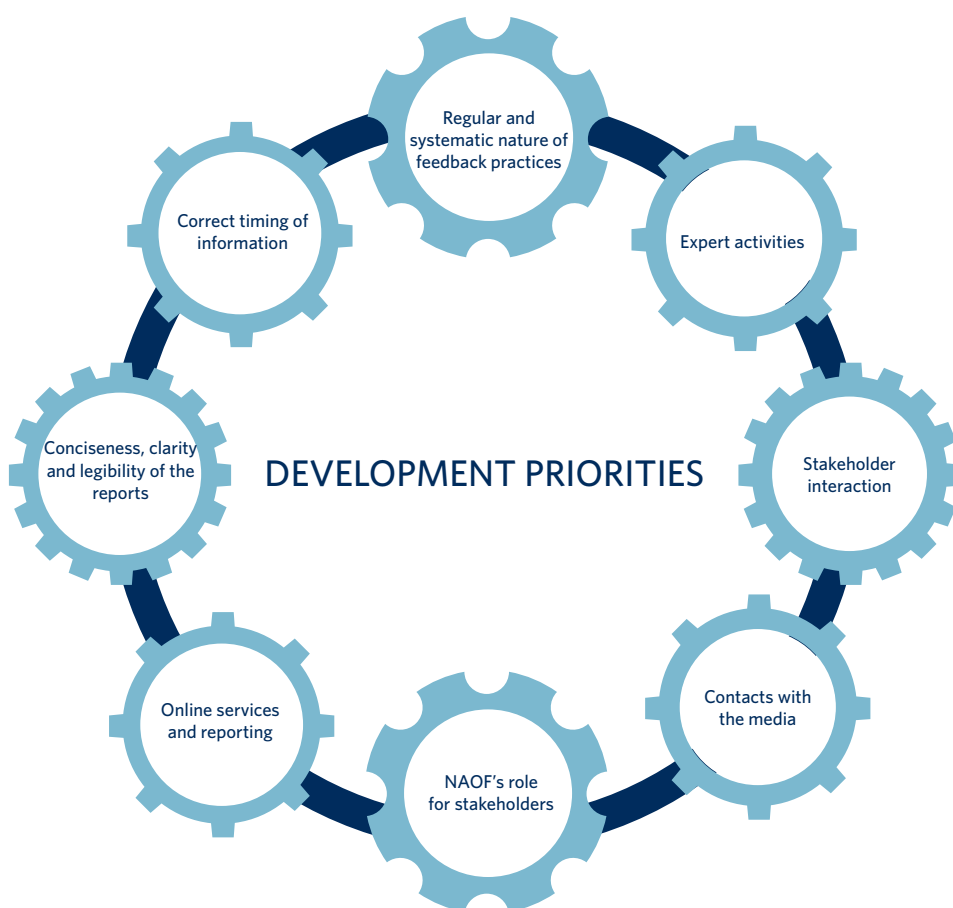


Figure 1: Development priorities selected on the basis of the stakeholder survey

According to the stakeholder survey carried out in 2015, the view is that NAOF has performed its tasks effectively and successfully. Stakeholders are fairly familiar with the operations of NAOF; central government actors and Parliament are more knowledgeable than others in this respect. The information about audit, evaluation and monitoring reports and their findings is considered adequate.

In Parliament and central government, most of the information on audit findings is obtained directly from NAOF's reports. Media is an important source of information for other stakeholders. Central government also uses the work of NAOF more extensively than other stakeholders.

Stakeholders are satisfied with audit, evaluation and monitoring reporting and the National Audit Office receives good marks for the authoritativeness, reliability, objectiveness and usefulness of the reports.

Based on the reports of the stakeholder survey, the National Audit Office is planning to make its feedback practices more regular and systematic so that more parties would view audit findings as important, interaction during audits could be promoted, and conclusions could be seen as more feasible. Contacts with the media will also be increased.

The National Audit Office published 30 press releases and held one press conference during the year in review. Even though there was a slight decrease in the media publicity concerning the audits from 2014, the total number of media hits was higher. The increase was due to the interest in the report on the social welfare and

health care reform produced by Auditor General Tuomas Pöysti. Moreover, Pöysti's resignation from NAOF and his appointment to the post of permanent state under-secretary in the Government received a large number of media hits. The areas of audit and monitoring work attracting the greatest degree of interest were party subsidies, election campaign funding, unemployment security, Government's fiscal policy, immigrants' learning results, tax reforms, examination of the tax system, state-owned companies and central government reforms.

At regional level, the interest in the National Audit Office was greatest in Uusimaa (40–50 hits). There was also a great degree of interest in the agency's work in Southwest Finland, North Savo and Central Finland (30–40 hits). There was moderate interest in NAOF in Northern Ostrobothnia, Pirkanmaa, Häme and North Karelia (20–30 hits). There was less interest in the agency in Lapland, Satakunta and Kainuu (10–20 hits).

Based on media monitoring, NAOF seems to have strengthened its reputation as an expert organisation. The communications policy of the National Audit Office is based on the principle of public access laid down in section 12 of the Constitution of Finland, the Act on the Openness of Government Activities (621/1999) and the Decree on the Openness of Government Activities and on Good Practice in Information Management (1030/1999). Also taken into consideration in communications are the ISSAI standards relating to the quality of audit communications and the Central Government Communications Guidelines (2010).

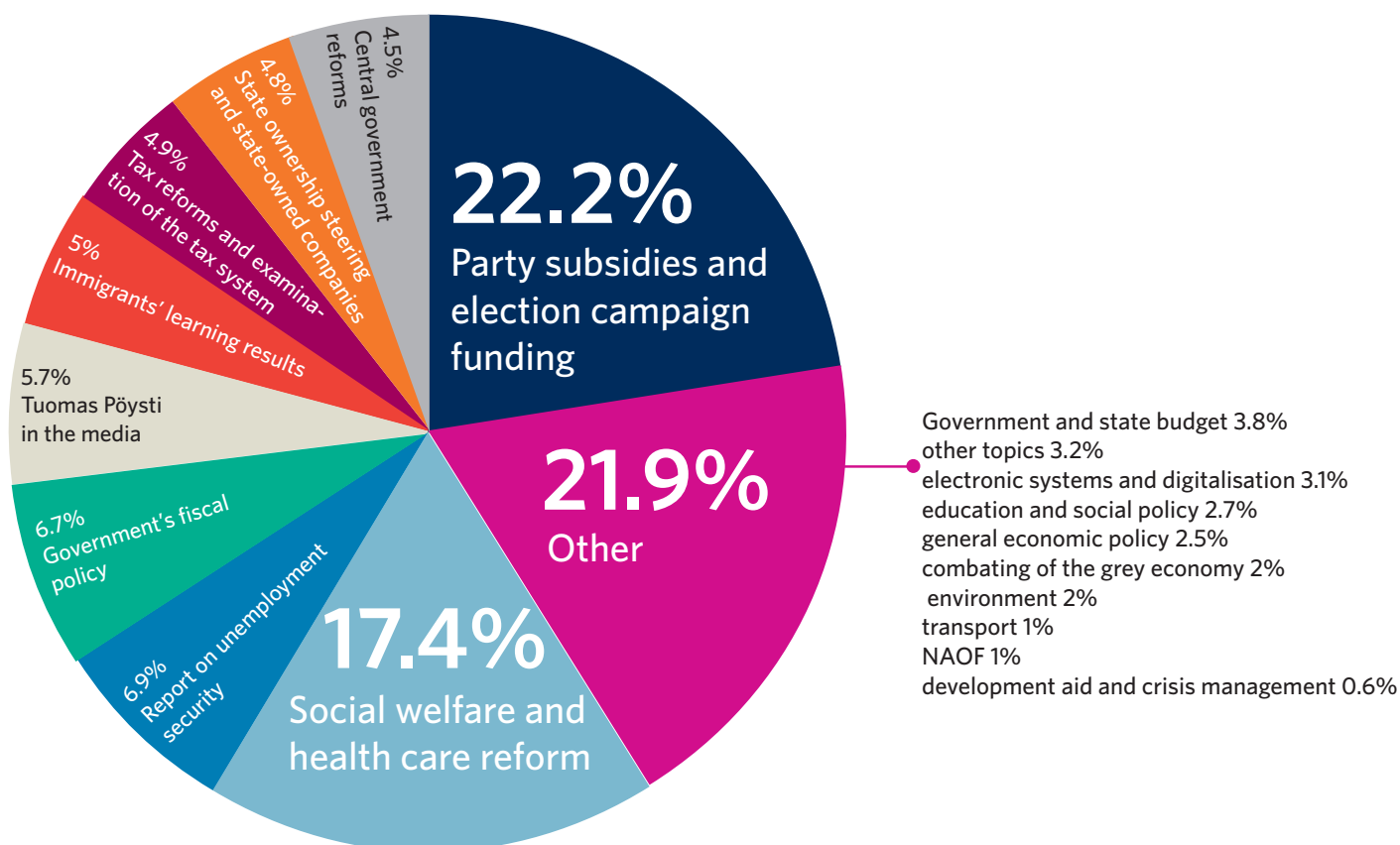


Figure 2: Publicity by topic

The way in which the contents are presented was revised in both the reports to Parliament and audit reports, the reports were made more legible and there is now more use of visual elements and data visualisation. The National Audit Office also continued its citizen and stakeholder communication in the social media.

1.1.5 Impact of the National Audit Office on international developments in the audit sector and international cooperation

In the congress of the European Organisation of Supreme Audit Institutions (EUROSAI), the National Audit Office was elected to the organisation's Governing Board for a term expiring in 2020 and as the organisation's Second Vice-President for a term expiring 2017. The task of the Second Vice-President is to support EUROSAI's President in the management and development of the organisation.

The National Audit Office is an active member of two working groups of the International Organization of Supreme Audit Institutions (INTOSAI): the working group on key national indicators and the working group on public debt. The first working group is preparing a professional INTOSAI standard on the development and use of key indicators. The second working group is continuing the overhaul of the international standards concerning the auditing of the management of public debt.

The National Audit Office chairs the Network of Fiscal Policy Audit, which comes under the Contact Committee of the Heads of Supreme Audit Institutions of the European Union. The network brings together experts and provides them with an opportunity to exchange information and engage in peer learning concerning fiscal policy audit methods. Sustainability of general government finances and bank supervision were the most important monitoring areas in 2015. The National Audit Office decided to take part in two parallel audits. One of them will be carried out as part of the work of the Network of Fiscal Policy Audit and the other as part of the EU2020 strategy network. The parallel audits cover the risks to the sustainability of general government finances and the impact of the structural funds on the implementation of the EU2020 strategy in employment and training.

NAOF has played an active role in the meetings of two international cooperation networks of independent fiscal policy supervisors: OECD Network of Parliamentary Budget Officials and Independent Fiscal Institutions (PBO) and the EU Network of Independent Fiscal Institutions (EUNIFI), which is coordinated by the European Commission. As part of its fiscal policy evaluation task, the National Audit Office is engaged in extensive exchange of information and cooperation with the European Commission.

Cooperation between Nordic audit offices is on a needs basis. A risk analysis workshop discussing macrofinancial risk analysis was held in 2015. It was decided in the 2015 meeting of Auditors General that the next risk analysis workshop will be held in Finland in 2016.

1.2 Outputs and quality management

The reports submitted to Parliament (reports to Parliament), audit reports, complaints and reports on abuses, the management and development of human resources, and the functioning of the quality management system are discussed in chapter 1.2.

1.2.1 Number of performances and achieved public goods

Reports to Parliament

National Audit Office's report on its activities to the 2015 parliamentary session (17 September 2015), K 18/2015 vp.

Fiscal policy evaluation report (8 September 2015), K 17/2015 vp.

Separate report of the National Audit Office to Parliament on the audit of the final central government accounts for 2014 and the Government's annual report (27 May 2015), K 15/2015 vp.

National Audit Office's report to Parliament on the oversight of political party funding in 2014, K 4/2015 vp.

National Audit Office's report to Parliament on the oversight of election campaign funding in the 2014 European Parliamentary Elections (28 January 2015), K 21/2014 vp.

National Audit Office's report to Parliament on the oversight of election campaign funding in the 2015 European Parliamentary Elections (17/12/2015), K 19/2015 vp.

In 2015, the National Audit Office also performed its duties laid down in the Act on Political Parties (10/1969, amended under 683/2010). Up-to-date disclosures as required under the act regarding support received by political parties, party associations and affiliated entities were received pursuant to the act. The National Audit Office also ensured that the organisations and foundations supervised by it submitted their final accounts and auditors' reports to the disclosures register. The National Audit Office also conducted a total of 35 audits of political parties organisations under the Act on Political Parties. A report on these audits as referred to in section 9 e of the act will be submitted to Parliament on 12 February 2016.

Audit reports:

In accordance with the National Audit Office's audit plan, in 2015 Financial Audit reported on the audit of the final central government accounts for 2014 as well as issued financial audit reports concerning 67 accounting offices and two off-budget funds. Two compliance audit reports were issued in 2015. Financial Audit accounted for 17.6 per cent of the National Audit Office's external expert activities (17.6% in 2014).

In 2015, the National Audit Office issued a report on one fiscal policy audit report and 16 performance audit reports, as well as one review. One performance audit report was also included in a separate report. The National Audit Office also issued reports on follow-ups to earlier performance audit reports. Performance Audit accounted for 48 per cent of the National Audit Office's external expert activities (47% in 2014).

During the year, the National Audit Office issued a total of 16 expert opinions concerning law-drafting and other projects in different ministries. A total of seven opinions were submitted to Parliament, mostly in connection with parliamentary committee hearings.

The year in review was the second of the new strategy period (2014–2020). During the year in review, priority in the development of audit work was on ensuring a sharper audit focus on central government finances and on overhauling audit reporting.

Complaints and abuses

In 2015 the National Audit Office received nine reports from central government authorities concerning abuses of state funds or assets in their activities (three in 2014).

One case involving suspected abuses by recipients of government aid (three in 2014) was also reported by central government agencies to the National Audit Office. The agencies administering EU aid have also sent copies of the notifications concerning the supervision of the aid to the National Audit Office. During the year in review, the National Audit Office received 43 complaints from private persons and organisations regarding central government finances (31 in 2014). The number of complaints addressed during the year totalled 44 (40 in 2014).

1.2.2 Management and development of human resources

PERFORMANCE AUDIT AND FISCAL POLICY AUDIT

Under the quality target set for Performance Audit, all performance audits should be prepared in accordance with the Performance Audit Manual or lower-level instructions supplementing it and the Performance Audit and Fiscal Policy Audit Department should evaluate the quality of all completed audits so that evaluations are carried out by heads of department who did not participate in the audit process. These targets were achieved. The level of quality can, on the basis of monitoring and ex-post assessments taking place in conjunction with supervision and guidance provided during auditing, be regarded on the whole as having met the requirements set in the manual.

The Performance Audit and Fiscal Policy Audit Department used self-evaluation to assess the achievement of the strategic quality targets and service capacity targets set out in the agency's audit plan. The service capacity targets concerned interaction during the audit, the perspective of central government finances in the audits and the usability of the reported information. Based on the self-evaluation, most of the quality targets have been achieved. Based on the evaluation, the perspective of central government finances has been an important consideration in the selection of audit topics. However, it has not been given full consideration in audit reporting as the focus has been on issues concerning the achievement of societal policy objectives and service capacity in the public administration.

FINANCIAL AUDIT AND COMPLIANCE AUDIT

The quality management objective for Financial Audit and Compliance Audit is to conduct all audits according to the requirements specified in the audit manuals. The director for financial audit evaluates compliance with the audit manual as part of their supervision task. In addition to control during audits, the department carried out internal quality checks where heads of the audit groups were given the task of conducting quality checks of audits conducted in other audit groups.

The schedule-related objective set for financial audit reports was to complete the 2014 financial audits for ministries by 15 May 2015, those for other accounting offices by 9 May 2015 and the audit of the final central government accounts by 18 May 2015. The audit reports were completed in accordance with the target.

Financial audit reports were completed in accordance with the objective. The level of achievement of schedule-related objectives can be considered very good.

Financial audit reports were published on the National Audit Office's website, and printed compilations were distributed to key stakeholders.

Two compliance audit reports were issued, with their quality assurance taking place largely along the same principles as those applied to financial audit reports.

1.2.3 Functioning of the quality management system

The departments of the National Audit Office have been responsible for the quality of their work and they have maintained a quality management system required by their operations, which is based on the international ISSAI 40 standard. The quality management systems of the audit departments are based on up-to-date audit manuals and operational guidelines, a standardised audit process, guidance and control to ensure quality during the audit process as well as ex-post quality checks.

The agency's planning system has been developed so that the risk analysis of central government finances and the national economy prepared by the agency, which is used as a basis for planning the priorities of the agency's activities, is now better integrated into the planning processes of the audit departments. The aim has also been to ensure that the risk analysis of central government finances and the national economy can be effectively used in the preparation of the agency's audit plan and in the focusing of the audits.

1.3 Operational efficiency

The National Audit Office has continued the implementation of its stability and efficiency programme launched in 2010. The aim of the programme is to achieve the savings required in a situation characterised by tight central government finances and, accordingly, to reduce the National Audit Office's person-years and implement the changes in the structure of public servants in a sustainable manner against the background of an increasing workload. Cuts in the number of personnel may increase the audit risk referred to in international external audit standards. External performances accounted for 0.7 per cent of the effective working hours. The proportion of person-days (as proportion of effective working hours) used for external performances increased by 2.9 per cent from 2014. The allocation of person-days by performance type is presented in Table 1.

The National Audit Office's economy and productivity objectives are for the overall development of costs in accordance with the final accounts and the cost per performance day not to exceed cost development in accordance with the consumer price index over the four-year planning period. The National Audit Office's development measures and information system projects are investment-like in nature, i.e. they will pay themselves back as improved economy or effectiveness within a clearly presented payback period/useful life. In practice, reaching these objectives requires long-term development of the personnel structure towards increased cost efficiency and successful implementation of development measures and information system projects. At the same time the aim is to ensure the employees' well-being at work and coping and improve the prerequisites for these.

1.3.1 Operational productivity

The number of working hours allocated to external performances increased by 2.9 per cent compared with 2014, from 21,881 to 22,520 person-days in the year in review. The increase is a result of more careful planning of personnel resources. External performances as proportion of the agency's person-years increased from 60.8 per cent in 2014 to 61.3 per cent in the year in review.

Productivity indicators

Table 1: Effective working hours by type of performance (working days)

	2013	2014	2015
Financial Audit	6,823	6,063	6,888
Compliance Audit	662	1,554	934
Performance Audit	5,018	5,587	5,689
Fiscal Policy Audit	326	361	396
Reports to Parliament	327	710	200
Fiscal Policy Evaluation	0	0	314
External management	3,638	3,619	3,875
External expert activities	3,406	3,607	3,848
Oversight of election campaign and political party funding	424	380	376
External performances, total	20,623	21,881	22,520
Indirect activities (support services, administration)	7,142	7,062	6,999
Holidays and other absences, total days	7,495	7,052	7,228
Total working hours	35,26	35,995	36,747

1.3.2 Operational economy

The cost of the National Audit Office's external performances per person-day decreased from 714 euros in 2014 to 703 euros in the year in review. This means a decrease of 1.5 per cent in the cost per external performance day. There was a 1.3 per cent increase in the National Audit Office's operational expenditure, compared with 2013.

Operational economy indicators

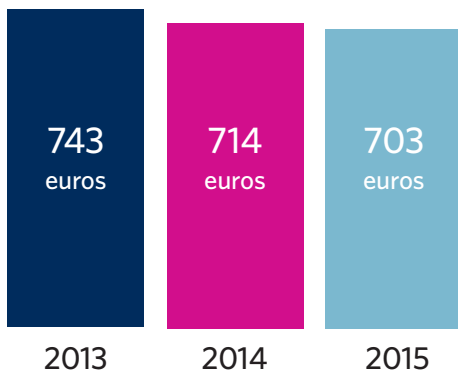


Figure 3: Price of NAOF's performance day

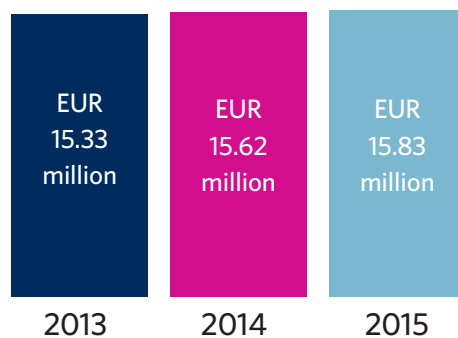


Figure 4: Overall trend in expenditure

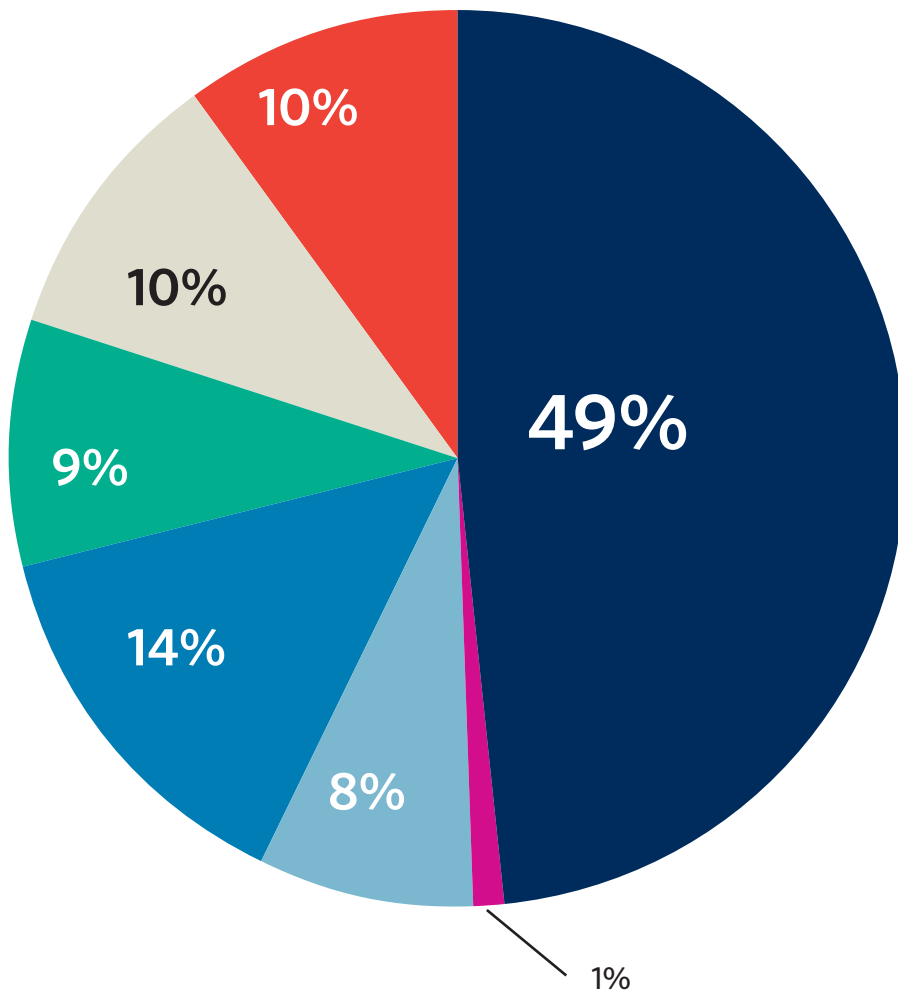


Figure 5: Total costs per type of performance

- Audit and expert activities, total
- Oversight of election campaign and political party funding
- Internal operations
- Absences
- Real estate costs
- Share of other joint agency costs
- Share of the Administrative Services Unit

1.4 Management and development of human resources

The personnel policy of the National Audit Office is based on the agency's vision and values. The main objective is to ensure that

- the National Audit Office is a good, inspiring and competitive employer,
- it operates in a reliable, professional and open manner,
- it supports leadership and prerequisites for leadership at all levels,
- it provides opportunities for competence development and
- it provides its personnel with a good working environment, which they perceive as fair.

Personnel training, long-term competence development programmes, preparation of personal development plans and the familiarisation programme for new employees were the priority areas in personnel competence development in 2015.

In competence management, the launching and implementation of 13 competence development programmes has been a priority. They cover audit methods, international audit standards and the manner in which they are applied in the manuals, ICT issues and audit management from the perspective of performances, interaction and performance management.

In connection with the development discussions, the National Audit Office prepared personal development plans (HEKS) for staff members, which are founded on NAOF's six competence areas. The agency's competence areas were used as a basis for the HEKS plans. The purpose of the personal development plans is to ensure that staff members have an opportunity to improve their competence over a period of several years, to help them to maintain their skills and to allow them to engage in professional development during their working careers. In HEKS plans, the National Audit Office is able to make comprehensive use of its competence management.

The familiarisation programme for new staff members has been put on a more systematic basis, while at the same it has been developed on the basis of feedback and the lessons learned.

The level of well-being at work is promoted by using the results of the workplace atmosphere survey obtained in the previous year and the results of the health checks for different personnel groups carried out in 2014. The results are mainly used in the development of management practices, in supervisory work and in other activities aimed at maintaining working capacity and developing cooperation, in daily management and in development discussions. The main purpose of the measures is to promote a culture of cooperation, a positive atmosphere and interaction in the agency. The Parempi Työyhteisö (ParTy®) –questionnaire developed by the Finnish Institute of Occupational Health was used as the method in the workplace atmosphere survey. A new survey based on the same method will be conducted in 2016 in cooperation with occupational health care services.

During the year in review, the agency's management clarified its view of supervisory tasks, especially in everyday management, the introduction of good operating practices and harmonisation of existing approaches.

Staff members' working capacity has been improved by giving consideration to work ergonomics. Electrically adjustable desks have been introduced at most workstations and an occupational physiotherapist made ergonomic assessment visits at 95 workstations during the year in review. The purpose of the visits is to provide staff members with instructions in the management of the ergonomics of their own workstations and advice in the use of electronically adjustable desks.

The agency has encouraged staff members to maintain their physical fitness by providing them with access to a gym, guidance in the use of gym equipment and kettlebell training. Sports and cultural vouchers were introduced at the start of the year.

The National Audit Office aims to achieve good work management by engaging in regular human resources planning. The agency has achieved performance improvements and helped staff members to cope with their work through anticipation of work tasks and division of labour and by introducing new tools.

Human resource management and development indicators

Number of personnel, personnel structure and personnel costs

The number of persons employed by NAOF at the end of 2015 was 4.9 per cent higher than a year earlier. The number of person-years was 1.7 per cent higher than in 2014. The proportion of women of all staff members increased from 46.5 to 49 per cent by the end of the year.

	2013	2014	2015	Annual change %
Number of employees 31 December	148	144	151	4.9
Women	72	67	74	10.4
Men	76	77	77	0
Person-years	141	143	145.5	1.7

The average age of employees was down 0.6 per cent from the year before. At the end of the year employees aged 45 and over accounted for 60.3 per cent of the personnel, which is 0.1 percentage points less than a year before. The largest age group of the National Audit Office are those aged between 55 and 64, accounting for 32.5 per cent of the personnel.

	2013	2014	2015	Annual change %
Total personnel	48.3	49.2	48.9	-0.6
Women	45.5	46.6	47.0	0.9
Men	50.9	51.6	50.6	-1.9

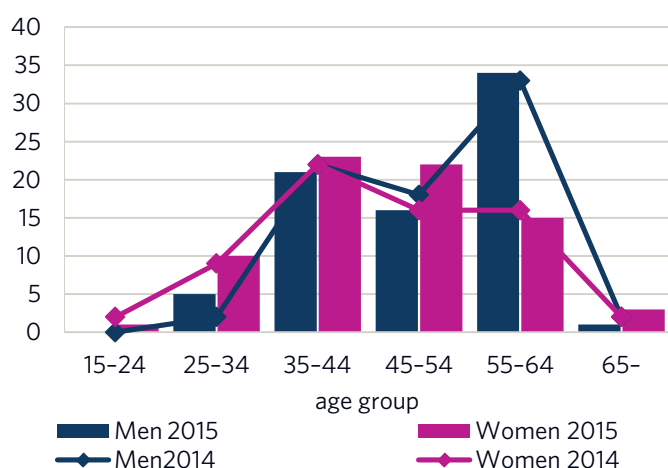


Figure 6: Personnel age structure

The personnel education level index is 6.7. At the end of the year, 76.2 per cent of the personnel had a master's or a higher degree, which was 0.5 percentage points more than a year before. Staff members with a licentiate or doctor's degree accounted for 15.2 per cent of personnel, up 0.6 percentage points from the year before.

Table 4: Education level index 31 December

	2013	2014	2015	Annual change %
Total personnel	6.6	6.7	6.7	0
Women	6.4	6.5	6.6	1.5
Men	6.8	6.8	6.8	0

Most employees have permanent posts. Fixed-term employees accounted for 8.6 per cent of the personnel.

Table 5: Permanent and fixed-term employees 31 December

	2013	2014	2015	Annual change %
Permanent	134	131	138	5.3
Women	62	57	65	14
Men	72	74	73	-1.4
Fixed-term	14	13	13	0.0
Women	10	10	9	-10.0
Men	4	3	4	33.3

The number of part-time employees is low. They accounted for 3.3 per cent of the personnel.

Table 6: Full-time and part-time employees 31 December

	2013	2014	2015	Annual change %
Full-time	142	138	146	5.8
Part-time	6	6	5	-16.7

Table 7: Labour costs				
	2013	2014	2015	Annual change %
Total labour costs EUR/year	12,304,611	12,644,336	12,420,591	-1.8
Pay for actual working hours, % of total pay	74.2%	79.9%	79.3%	-0.8
Indirect labour costs	4,874,712	4,489,934	4,259,304	-5.1
Share of indirect labour costs of pay for actual working hours	65.6%	55.1%	52.2%	-5.3
Source: Tahti system				

The personnel turnover rate decreased from the previous year. A total of 2.8 per cent of those employed at the end of 2014 transferred to another employer. This was 1.3 percentage points less than in 2014. In addition, 2.8 per cent retired in 2014, which was 2.1 percentage points more than in the previous year. There was a further decline in sickness absenteeism. The decrease was 20.5 per cent compared with 2014. Occupational health care services were used 4.9 times per person-year. The number of visits to occupational health care remained at previous year's levels. Net costs of occupational health care services decreased by 22.9 per cent.

Competence development

Table 8: Personnel turnover rate and well-being at work				
	2013	2014	2015	Annual change %
Departure turnover (% of personnel)	7.6%	4.1%	2.8%	-31.7
Incoming turnover (% of personnel)	15.3%	3.4%	6.9%	102.9
Sick leaves (days/person-year) ¹	7.0	5.8	4.6	-20.5
Net occupational health care costs (EUR/person-year)	EUR 781	EUR 853	EUR 658	-22.9
¹ Source: Tahti system				

Participation in training was up 9 per cent per person-year from the previous year. Training costs excluding pay costs and independent development of professional skills increased by 1.8 per cent per person-year.

Table 9: Training and development				
	2013	2014	2015	Annual change %
Participation in training (EUR/person-year) ¹	EUR 1,087	EUR 931	EUR 948	1.8
Participation in training (working days/person-year) ¹	11.9	11.1	12.1	9.0
¹ Does not include pay costs for lost working hours or independent development of professional skills.				

1.5 Analysis of the final accounts

1.5.1 Structure of financing

Compared with the 2014 final accounts, the financing structure remained unchanged. The National Audit Office's operational expenditure were covered in item 21.40.01 and VAT expenditure in item 21.40.29.

1.5.2 Compliance with the budget

Under its budget, the National Audit Office was allocated a total of 15,307,000 euros for operational expenditure for 2015 (15,307,000 euros for 2014). A total of 13,258,000 euros was spent on operational expenditure in 2015 (13,258,000 euros in 2014). A total of 1,534,085 euros was carried forward from the operational expenditure item to the following year, down 515,000 euros on the previous year's amount carried forward. The National Audit Office was allocated 582,000 euros for VAT expenditure for 2015 and the total spending was 632,000 euros. On 4 February 2016, the Office Commission granted the National Audit Office the right to exceed its appropriation item 21.40.29 (VAT expenditure; variable appropriation) by 50,002 euros.

1.5.3 Statement of income and expenditure

The National Audit Office's operational expenditure increased by 0.9 per cent compared with 2014. Personnel expenditure accounted for 77.3 per cent of the National Audit Office's expenditure in 2015 (77.8% in 2014). Personnel expenditure increased by 0.4 per cent (0.6% in 2014). The next two largest expense items after personnel expenditure were purchases of services at 10.8 per cent and rents at 8.0 per cent, respectively.

1.5.4 Balance sheet

During the year in review, the value of the National Audit Office's fixed assets and other long-term investments decreased to 0.0 euros from the 7,900.29 euros in the year before.

1.6 Statement of internal control and approval

The statement of internal control and approval of the National Audit Office was prepared so that each department carried out a self-evaluation. The self-evaluation was carried out on the basis of the simplified framework recommended by the Government Controller-General, using a framework prepared by the National Audit Office. For 2015, the self-evaluation was made in a uniform manner using the framework in question. The following sectors were evaluated: internal operating environment, operating structures, target-setting, identification, assessment and management of risks, control measures, flow of information and usability and monitoring of information.

In the statement, consideration was given to the observations of internal audit of the state of internal control and risk management. The information security report produced for the agency's management was also used. In the opinion of the management of the National Audit Office, the agency's internal control and risk management meet all requirements. The view is that internal control and risk management are adequate and properly organised.

The link between an overall risk perspective and the audit plan was strengthened. The 2015 risk analysis of central government finances and the national economy was more closely integrated into NAOF's audit plan 2016–2020, in which the effectiveness portfolios for 2015 and 2016 contain both the monitoring and planning aspects. The general part of the audit manual was completed during 2015 and its implementation has now started.

The National Audit Office has continued the implementation of its stability and efficiency programme and strategic human resource planning. New tasks and changes in the operating environment and the competence requirements arising from them will create a personnel and competence risk. The National Audit Office will prepare for the risk by means of a more detailed specification of tasks, target setting, scheduling and prioritisation.

The most important development priorities in internal control and risk management in 2016 are as follows:

- The National Audit Office will strengthen uniform practices in working methods and processes as well as develop interaction between departments and between the agency and audited entities.
- The National Audit Office will ensure that it has adequate personnel resources and up-to-date professional competence.
- The National Audit Office will continue systematic long-term development of personnel competence and maintenance of expertise in the competence areas determined by the agency (such as audit management and audit and method competence, including the series of standards and manuals).
- The National Audit Office will give higher priority to the setting of clear targets, adherence to joint rules and systematic early intervention in its internal operating environment and operating culture.

- In information security, the priorities are as follows: Agreement on the ownership of information systems in the management team, consideration of safety issues in the documentation of the overall ICT architecture, and the correction of security vulnerabilities in the agency's systems that have been detected by information security organisations.

Helsinki 17 February 2016

Tytti Yli-Viikari
Auditor General

Nina Alatalo
Head of Executive Office

1.7 Summary of observed abuses

There is nothing to report for the year.



Auditor General Tytti Yli-Viikari

The National Audit Office is headed by the Auditor General who is elected by Parliament for a term of six years.

Tytti Yli-Viikari started as Acting Auditor General on 1 October 2015 and her term of office started on 1 January 2016.

The Auditor General approves the audit plan and decides on the reports to parliamentary sessions, audit manuals and other matters important to the National Audit Office.

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Assistant Auditor General Marjatta Kimmonen, Financial and Compliance Audit Department

The task of the department is to conduct the financial and compliance audits laid out in NAOF's audit plan.

Each year, the department audits the final accounts of the central government, ministries and other accounting offices, as well as the final accounts of three off-budget state funds, and prepares audit reports on them. The department ensures that the state budget is complied with and that the information contained in the final accounts is true and fair.

The department also conducts between two and four compliance audits each year.

The Financial and Compliance Audit Department is also responsible for the matters coming under the Act on Political Parties and the Act on a Candidate's Election Funding, prepares oversight reports on political party and election campaign funding for Parliament, and acts as an expert on the oversight of election campaign and political party funding.

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Assistant Auditor General Marko Männikko, Performance and Fiscal Policy Audit Department

The department has been divided into four audit groups in accordance with the administrative branches that it audits. The audited organisations are laid out in National Audit Office's audit plan and the choice of the organisations is based on NAOF's strategy and a systematic risk analysis.

Between 12 and 15 performance audits are produced each year. The purpose of performance audit is to ensure that central government finances are properly managed and in compliance with the law and that their management is on an economically efficient and effective basis. The audits cover activities that are of material importance to central government finances, such as the impacts and effectiveness of the activities, organisational structures and financing systems, operational steering and management.

The department produces between one and two fiscal policy audits each year. One of the tasks of the fiscal policy audit is to determine whether a true and fair view has been given of the central government finances and the sustainability of general government finances.

The aim is to ensure that fiscal policy decision-making is on a solid basis. The audits cover the reliability of the fiscal policy knowledge base, functioning of the fiscal policy management tools and achievement of the targets.

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Chief Administrative Officer Mikko Koironen

The Administrative Services Unit of the National Audit Office is responsible for the agency's overall and personnel management and ICT services. Its tasks include financial administration, HR functions, purchases, access control, occupational safety and health and other safety matters and document administration.

In cooperation with audit departments, the unit prepares the agency's operational and financial plan, budget proposal and review of operations. It also provides legal assistance and supports and assists other departments in the management of their tasks. The Administrative Services Unit is responsible for ensuring that service relationships, work environment, tools and information systems are in proper condition and in accordance with the needs of the agency and its personnel.

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Head of Executive Office Nina Alatalo, Executive Office

The Executive Office assists the Auditor General in strategic management, planning, development and monitoring. It is also responsible for the communications and publication services of the National Audit Office as well as for competence development. It is also in charge of the preparation of the risk analysis of central government finances and the national economy, audit plans and resource planning. Additionally, the Executive Office is responsible for the co-ordination of international affairs.

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Not in the picture are Heidi Silvennoinen, Executive Director for Fiscal Policy Evaluation, Jorma Kilpeläinen, Principal Financial Auditor, and Timo Oksanen, Senior Performance Auditor. The two last-mentioned also served as personnel representatives during the year in review.

2 Compliance with the budget

Main division, item, account number, name and type of appropriation	Final accounts 2014	Budget 2015 (Budget + suppl. budgets)	Appropriations in the use in 2015	for follow-up
21. Parliament	15,882,273.52	15,889,000	14,404,916.06	1,53
21.40.01 National Audit Office's operating costs (2-year trans.)	15,307,000.00	15,307,000	13,772,914.44	1,53
21.40.29 National Audit Office's VAT expenses (est.)	575,273.52	582,000	632,001.62	
Total expenditure accounts	15,882,273.52	15,889,000	14,404,916.06	1,53

Budget carried forward to following year	Final accounts 2015	Comparison Budget–Final accounts	Supplementary information concerning appropriations carried forward			
			Carried forward from previous years	Available for use in 2015	Use in 2015 (excl. cancellations)	Carried forward to following year
4,085.56	15,939,001.62	-50,001.62	2,048,982.47	17,355,982.47	15,821,896.91	1,534,085.56
4,085.56	15,307,000.00	0.00	2,048,982.47	17,355,982.47	15,821,896.91	1,534,085.56
	632,001.62	-50,001.62				
4,085.56	15,939,001.62	-50,001.62	2,048,982.47	17,355,982.47	15,821,896.91	1,534,085.56

3 Statement of income and expenses

	1 JAN 2015 - 31 DEC 2015		1 JAN 2014 - 31 DEC 2014	
Operational income				
Other operational income	<u>790.00</u>	790.00	<u>1540.00</u>	1540.00
Operational expenditure				
Materials, supplies and goods:				
Purchases during the year	314,987.23		-202,223.01	
Personnel expenditure	12,229,814.84		-12,181,458.98	
Rents	1,264,119.57		-1,256,527.11	
Purchased services	1,706,837.45		-1,732,273.14	
Other expenditure	297,442.72		-252,100.73	
Depreciation	<u>7,900.29</u>	-15,821,102.10	<u>-51,554.74</u>	-15,676,137.71
Deficit I		-15,820,312.10		-15,674,597.71
Financial income and expenditure				
Financial income	<u>43.86</u>	43.86	<u>113.60</u>	113.60
Deficit II		-15,820,268.24		-15,674,484.11
Deficit III		-15,820,268.24		-15,674,484.11
Income from taxes and compulsory charges				
VAT paid	<u>632,001.62</u>	-632,001.62	<u>-575,273.52</u>	-575,273.52
Surplus/deficit for the year		<u>-16,452,269.86</u>		<u>-16,249,757.63</u>

4 Balance sheet

	31 DEC 2015		31 DEC 2014	
Assets				
Fixed assets and other long-term investments				
Tangible assets				
Machinery and equipment	0.00	0.00	7,900.29	7,900.29
Total fixed assets and other long-term investments		0.00		7,900.29
Inventories and financial assets				
Current receivables				
Other current receivables	0.00	0.00	3,092.94	3,092.94
Total inventories and financial assets		0.00		3,092.94
Total assets		0.00		10,993.23
Equity and liabilities				
Equity				
State's equity				
State's equity 1 Jan 1998	-819,653.02		-819,653.02	
Change in previous years	2,537,582.10		-2,672,692.87	
Equity transfers	16,477,460.88		16,384,868.40	
Surplus/deficit for the year	-16,452,269.86	-3,332,044.10	-16,249,757.63	3,357,235.12
Liabilities				
Current liabilities				
Accounts payable	224,024.42		249,685.37	
Transfers between accounting offices	279,525.09		284,615.88	
Payable items	223,559.93		219,463.48	
Accrued expenditure	2,604,934.66	3,332,044.10	2,614,463.62	3,368,228.35
Total liabilities		3,332,044.10		3,368,228.35
Total equity and liabilities		0.00		10,993.23

5 Notes to the final accounts

Note 1 Accounting principles and comparability

The final accounts of the National Audit Office have been prepared in accordance with the State Budget Act and the State Budget Decree as well as orders and guidelines issued by the Ministry of Finance and the State Treasury. Sections 61–66 h of the State Budget Decree contain provisions on the preparation of final accounts.

The depreciations that are in accordance with the fixed assets plan have been determined in accordance with a depreciations plan drawn up in advance. Depreciation according to plan has been calculated on a straight-line basis according to the economic life of assets.

The depreciation period is three years for software and hardware, seven years for vehicles and five years for all other machinery, equipment and office furnishings. The National Audit Office does not own national property.

Under operational income, other operational income includes income from the sale of property no longer in use.

Under operational expenditure, personnel expenditure includes salaries, holiday pay, overtime, expert fees, training fees, other fees, change of holiday pay liabilities and side costs. Other expenditure includes travel costs, domestic and international membership fees, user fees, vehicle insurance premiums and other compulsory charges which are not taxes.

Under current liabilities in the balance sheet accrued expenditure includes holiday pay liabilities and other accrued expenditure.

The cash-basis principle is applied in the National Audit Office's commercial accounting. The final accounts have been corrected on an accrual basis.

Note 2 Net budgeted income and expenditure

The National Audit Office does not have any net budgeted items for which net income or net expenditure was marked in the budget in its accounts for the past fiscal year.

Note 3 Overspending of estimated appropriations

Number and name of main division and item	Budget (incl. supplementary	Excess	Excess %
21. Parliament	582,000	50,001.62	9.00
21.40.29 VAT expenditure	582,000	-50,001.62	9.00
Main titles, total	582,000	-50,001.62	9.00

Note 4 Cancelled transferred appropriations

The National Audit Office does not have anything to report on Note 4.

Note 5 Itemisation of personnel expenditure

	2015	2014
Personnel expenditure	10,133,949.51	9,994,318.19
Salaries and fees	10,099,401.28	9,978,172.37
Performance-based items	0.00	0.00
Change in holiday pay liabilities	34,548.23	16,145.82
Side costs	2,095,865.33	2,187,140.79
Pension expenditure	1,907,919.82	1,952,099.71
Other personnel expenditure	187,945.51	235,041.08
Total	12,229,814.84	12,181,458.98
Management salaries and fees *) incl.	738,661.78	868,378.23
- performance-based items	0.00	0.00
Fringe benefits and other financial benefits	165,231.12	173,495.64
Management	9,305.28	10,926.95
Other personnel	155,925.84	162,568.69
*) Does not include side costs.		

Note 6 Principles used in calculating depreciation according to plan and changes to it

The National Audit Office does not have anything to report on Note 6.

Note 7 Changes in the acquisition cost of national property and fixed assets and other long-term expenditure

The National Audit Office does not have anything to report on Note 7.

Note 8 Financial income and expenses

The National Audit Office does not have anything to report on Note 8.

Note 9 Loans granted from the budget

The National Audit Office does not have anything to report on Note 9.

Note 10 Shares and participations in companies and other securities comparable to shares

The National Audit Office does not have anything to report on Note 10.

Note 11 Financial assets and liabilities in the balance sheet

The National Audit Office does not have anything to report on Note 11.

Note 12 Granted state securities, state guarantees and other commitments

The National Audit Office does not have any granted state securities or state guarantees that were outstanding at the end of the year.

Other multiannual commitments and secondary state liabilities

Ordinary agreements and commitments made under "Operational expenditure" in general provisions section of the Budget Statement

euros	Budget expenditure	Appropriation required	Appropriation required	Appropriation required	Appropriation required	Appropriation required
	2015	2016	2017	2018	later	total
Lease agreement	1,472,499.21	1,472,499.21	1,472,499.21	1,472,499.21	1,472,499.21	5,889,996.84
Ordinary agreements and commitments, total	1,472,499.21	1,472,499.21	1,472,499.21	1,472,499.21	1,472,499.21	5,889,996.84

Agreements and commitments made under other grounds than "Operational expenditure" in general provisions section of the Budget Statement

euros	Budget expenditure	Appropriation required	Appropriation required	Appropriation required	Appropriation required	Appropriation required
	2015	2016	2017	2018	later	total
	0.00	0.00	0.00	0.00	0.00	0.00
Agreements and commitments, total	0.00	0.00	0.00	0.00	0.00	0.00

Note 13 Reserve funds in the balance sheet

The National Audit Office does not have anything to report on Note 13.

Note 14 Reserve funds outside the balance sheet

The National Audit Office does not have anything to report on Note 14.

Note 15 Changes in liabilities

The National Audit Office does not have anything to report on Note 15.

Note 16 Maturity breakdown and duration of liabilities

The National Audit Office does not have anything to report on Note 16.

Note 17 Other supplementary information needed to give true and fair information

The National Audit Office has provided true and fair information in its final accounts and notes as well as in its review of operations.

No abuses or criminal offences were detected in the National Audit Office.

A person formerly employed by the National Audit Office submitted a claim to the Helsinki District Court in which the person in question demands damages from the National Audit Office totalling about 460,000 euros for economic losses the person in question has allegedly incurred. It is unlikely that the National Audit Office will be ordered to pay the damages demanded by the person in question.

6 Signatures

The final accounts were approved in Helsinki on 17 February 2016.

Tytti Yli-Viikari
Auditor General

Mikko Koiranen
Chief Administrative Officer

Appendix 1 Allocation of working hours by department 1 Jan-31 Dec 2015

Allocation of working hours by department 1 Jan - 31 Dec 2015

(by project location)				
By audit type and function	PJ and JT's YJ	%	FC	
Financial audit	0	0.0	6,888	
Compliance audit	0	0.0	934	
Performance audit	0	0.0	0	
Fiscal policy audit	0	0.0	0	
Reports to Parliament	0	0.0	0	
External management	367	100.0	1,787	
Fiscal policy evaluation	0	0.0	0	
External expert activities	0	0.0	653	
- Complaints and abuses	0	0.0	0	
Audit and expert activities, total	367	100.0	10,263	
Oversight of election campaign and political party funding	0	0.0	376	
External performances, total	367	100.0	10,639	
External performances as percentage of effective working hours	367	1.2	10,639	
Internal operations	PJ and JT's YJ	%	FC	
Internal management	0	0.0	170	
Competence development	0	0.0	734	
Development projects	0	0.0	411	
Joint agency activities	0	0.0	0	
- international cooperation	0	0.0	0	
- recreational and other similar events	0	0.0	0	
- shop stewards	0	0.0	0	
- occupation safety and health	0	0.0	0	
- internal audit	0	0.0	0	
Accounting office tasks and financial administration AS	0	0.0	0	
Cost accounting and working hours monitoring AS	0	0.0	0	
Personnel administration and HR tasks AS	0	0.0	0	
Agency services AS	0	0.0	0	
Library and information services AS	0	0.0	0	
Registry and archives services AS	0	0.0	0	
Development and maintenance of audit information technology AS	0	0.0	0	
Development and maintenance of administrative information systems and technology AS	0	0.0	0	
Development and maintenance of basic information technology AS	0	0.0	0	
Local support AS	0	0.0	0	
International benchmarking services LKP	0	0.0	0	
Internal performances, total	0	0.0	1,316	
Internal performances as percentage of effective working hours	0	0.0	1,316	
Effective working hours, total	367	1.2	11,955	
Absences	PJ and JT's YJ	%	FC	
Other paid leave of absence	0	0.0	78	
Annual holiday	71	97.3	2,223	
Holiday bonus leave	0	0.0	271	
Illness	2	2.7	364	
Child's illness	0	0.0	36	
Absences, total	73	100.0	2,973	1
Working hours, total	440	1.2	14,928	

%		PF	%	EO	%	AS	%	ALL	%	
57.6		0	0.0	0	0.0	0	0.0	6,888	23.3	
7.8		0	0.0	0	0.0	0	0.0	934	3.2	
0.0		5,689	51.3	0	0.0	0	0.0	5,689	19.3	
0.0		396	3.6	0	0.0	0	0.0	396	1.3	
0.0		0	0.0	200	7.7	0	0.0	200	0.7	
14.9		1,518	13.7	198	7.7	5	0.2	3,875	13.1	
0.0		314	2.8	0	0.0	0	0.0	314	1.1	
5.5		1781	16.1	1,235	30.8	42	1.2	3,712	12.6	
0.0		136	1.2	0	0.0	1	0.0	136	0.5	
85.8		9,833	88.7	1,632	63.3	49	1.4	22,144	75.0	
3.1		0	0.0	0	0.0	0	0.0	376	1.3	
89.0		9,833	88.7	1,632	63.3	49	1.4	22,520	76.3	
										THTV
36.0		9,833	33.3	1,632	5.5	49	0.2	22,520	76.3	125.1
										Divisor 180
%		PF	%	EO	%	AS	%	ALL	%	
1.4		305	2.7	395	15.3	529	15.0	1,399	4.7	
6.1		947	8.5	366	14.2	69	1.9	2,116	7.2	
3.4		0	0.0	0	0.0	200	5.7	611	2.1	
0.0		0	0.0	154	6.0	0	0.0	154	0.5	
0.0		0	0.0	19	0.7	0	0.0	19	0.1	
0.0		0	0.0	0	0.0	18	0.5	18	0.1	
0.0		0	0.0	0	0.0	27	0.8	27	0.1	
0.0		0	0.0	0	0.0	47	1.3	47	0.2	
0.0		0	0.0	13	0.5	0	0.0	13	0.0	
0.0		0	0.0	0	0.0	399	11.3	399	1.34	
0.0		0	0.0	0	0.0	245	6.9	245	0.8	
0.0		0	0.0	0	0.0	377	10.7	377	1.3	
0.0		0	0.0	0	0.0	491	13.9	491	1.7	
0.0		0	0.0	0	0.0	16	0.5	16	0.1	
0.0		0	0.0	0	0.0	281	7.9	281	1.0	
0.0		0	0.0	0	0.0	178	5.0	178	0.6	
0.0		0	0.0	0	0.0	183	5.2	183	0.6	
0.0		0	0.0	0	0.0	160	4.5	160	0.5	
0.0		0	0.0	0	0.0	264	7.5	264	0.89	
0.0		0	0.0	0	0.0	0	0.0	0	0.0	
11.0		1,252	11.3	947	36.7	3,484	98.6	6,999	23.7	
4.5		1,252	4.2	947	3.2	3,484	11.8	6,999	23.7	
										THTV
40.5		11,085	37.6	2,580	8.7	3,532	12.0	29,519	100.0	164.0
										Divisor 180
%		PF	%	EO	%	AS	%	ALL	%	
2.6		322	10.6	6	1.5	1	0.1	407	5.6	
74.8		2,090	68.7	253	65.1	595	79.3	5,232	72.4	
9.1		227	7.5	15	3.9	26	3.5	539	7.5	
12.3		372	12.2	92	23.6	113	15.21	944	13.1	
1.2		32	1.1	23	759	15	2.0	106	1.5	
100.0		3,043	100.0	389	100.0	750	100.0	7,228	100.0	
										THTV
40.6		14,128	38.4	2,968	8.1	4,283	11.7	36,747	100.0	204.1

Appendix 2 End products in 2015

National Audit Office's reports to Parliament

National Audit Office's report on its activities to the 2015 parliamentary session, K 18/2015 vp.

Separate report of the National Audit Office to Parliament on the audit of the final central government accounts for 2014 and the report on the final central government accounts, K 15/2014 vp.

Separate report of the National Audit Office to Parliament: Fiscal policy evaluation report, K 17/2015 vp.

National Audit Office's report to Parliament on the oversight of election campaign funding in the 2014 European Parliamentary Elections (28 January 2015), K 21/2014 vp.

National Audit Office's report to Parliament on the oversight of election campaign funding in the 2015 European Parliamentary Elections (28 January 2015), K 19/2015 vp.

National Audit Office's report to Parliament on the oversight of political party funding in 2014, K 4/2015 vp.

Audit reports

Financial audit

OFFICE OF THE PRESIDENT OF THE REPUBLIC

Office of the President of the Republic	58/53/14
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PRIME MINISTER'S OFFICE

Prime Minister's Office	59/53/14
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ADMINISTRATIVE BRANCH OF THE MINISTRY FOR FOREIGN AFFAIRS

Ministry for Foreign Affairs	60/53/14
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ADMINISTRATIVE BRANCH OF THE MINISTRY OF JUSTICE

Ministry of Justice	61/53/14
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Criminal Sanctions Agency	62/53/14
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ADMINISTRATIVE BRANCH OF THE MINISTRY OF THE INTERIOR

Ministry of the Interior	63/53/14
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ICT Agency HALTIK	64/53/14
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Emergency Response Centre Administration	65/53/14
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Finnish Immigration Service	66/53/14
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Emergency Services College	67/53/14
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National Police Board	68/53/14
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Finnish Border Guard	69/53/14
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ADMINISTRATIVE BRANCH OF THE MINISTRY OF DEFENCE

Ministry of Defence	70/53/14
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Construction Establishment of Defence Administration	71/53/14
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Finnish Defence Forces	72/53/14
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ADMINISTRATIVE BRANCH OF THE MINISTRY OF FINANCE

Ministry of Finance	73/53/14
State Department of Åland	74/53/14
Regional State Administrative Agency for Southern Finland	75/53/14
Statistics Finland	76/53/14
Finnish Customs	77/53/14
State Treasury	78/53/14
VATT Institute for Economic Research	79/53/14
Government Shared Services Centre for Finance and HR	80/53/14
Government ICT Centre Valtori	81/53/14
Finnish Tax Administration	82/53/14
Population Register Centre	83/53/14

ADMINISTRATIVE BRANCH OF THE MINISTRY OF EDUCATION AND CULTURE

Ministry of Education and Culture	84/53/14
Centre for International Mobility CIMO	85/53/14
National Archives	86/53/14
National Board of Antiquities	87/53/14
National Board of Education	88/53/14
Academy of Finland	89/53/14
Governing Body of Suomenlinna	90/53/14

ADMINISTRATIVE BRANCH OF THE MINISTRY OF AGRICULTURE AND FORESTRY

Ministry of Agriculture and Forestry	91/53/14
Finnish Food Safety Authority Evira	92/53/14
National Institute for Health and Welfare	93/53/14
MTT Agrifood Research Finland	94/53/14
Information Centre of the Ministry of Agriculture	95/53/14
National Land Survey of Finland	96/53/14
Agency for Rural Affairs	97/53/14
Finnish Forest Research Institute	98/53/14
Finnish Game and Fisheries Research Institute	99/53/14

ADMINISTRATIVE BRANCH OF THE MINISTRY OF TRANSPORT AND COMMUNICATIONS

Ministry of Transport and Communications	100/53/14
Finnish Meteorological Institute	101/53/14
Finnish Transport Agency	102/53/14
Finnish Transport Safety Agency Trafi	103/53/14
Finnish Communications Regulatory Authority	104/53/14

ADMINISTRATIVE BRANCH OF THE MINISTRY OF EMPLOYMENT AND THE ECONOMY

Ministry of Employment and the Economy	105/53/14
Energy Authority	106/53/14
Centre for Economic Development, Transport and the Environment for South Savo	107/53/14
Geological Survey of Finland	108/53/14
Tekes – the Finnish Funding Agency for Technology and Innovation	109/53/14
Finnish Competition and Consumer Authority	110/53/14
National Consumer Research Centre	111/53/14
Finnish Tourist Board	112/53/14
Centre for Metrology and Accreditation	113/53/14
Finnish Patent and Registration Office	114/53/14
VTT Technical Research Centre of Finland	115/53/14
Finnish Safety and Chemicals Agency	116/53/14

ADMINISTRATIVE BRANCH OF THE MINISTRY OF SOCIAL AFFAIRS AND HEALTH

Ministry of Social Affairs and Health	117/53/14
Finnish Medicines Agency	118/53/14
National Supervisory Authority for Welfare and Health	119/53/14
Radiation and Nuclear Safety Authority	120/53/14
National Institute for Health and Welfare	121/53/14

ADMINISTRATIVE BRANCH OF THE MINISTRY OF THE ENVIRONMENT

Ministry of the Environment	122/53/14
Housing Finance and Development Centre of Finland	123/53/14
Finnish Environment Institute	124/53/14

Final central government accounts	125/53/14
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OFF-BUDGET FUNDS

Fire Protection Fund	126/53/14
Finnish Oil Pollution Compensation Fund	127/53/14

Fiscal policy audit

164/51/2012 Central government spending limits procedure and fiscal policy reporting. Fiscal policy audit	
13/2013 Auditing the computation of structural balance	

Compliance audit

15/2015 Budget procedures	
18/2015 Compensations	

Performance audit

1/2015	Export financing
2/2015	Central government pay systems
3/2015	Using technical assistive devices in services for older persons provided at home
4/2015	Practicalities of the liquidation of Asset Management Company Arsenal Ltd
5/2015	Cooperation for study and career guidance
6/2015	Solidium Oy
7/2015	Interoperability in government ICT contracts
8/2015	Digital employment services
9/2015	Statutory tasks of regional state administration and providing them with resources (Regional State Administrative Agencies and ELY Centres)
11/2015	State charge policy
12/2015	Immigrant students and the effectiveness of basic education
13/2015	Knowledge base of structural policy decisions
14/2015	Programmes for combating the grey economy and coordinating the work
16/2015	Steering of strategic-interest companies
17/2015	Consideration of the health and cost impacts of fine particles in the preparation of strategies
20/2015	Research and development in the real estate and construction cluster

Fiscal policy audit

19/2015 Total central government balance sheet

Audits concluded with a letter

Subsidies of merchant shipping
Overview of transport policy instruments

Photos

Pages 4 and 34: NAOF (photographed by Vilja Pursiainen)

Page 35: NAOF (photographed by Sofia Isokoski)



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