

# ANNUAL REPORT

2013







**National Audit Office's Annual Report  
for 2013**

189th year of operation



## Review by the Auditor General



Together with the Parliamentary Ombudsman and the Chancellor of Justice of the Government, the National Audit Office is one of the independent, high-level control authorities referred to in the Constitution of Finland. The National Audit Office is the external professional auditor of central government finances that also supervises fiscal policy and election and party funding.

### VTV2020: Finnish state's financial management is a model to the world

The year under review was the first year of the National Audit Office's new strategy period extending till 2020. The National Audit Office's new strategy, VTV2020, was adopted in the beginning of the year. The VTV2020 strategy was prepared in cooperation with all departments of the agency and had a strong input from the personnel. According to the National Audit Office's vision stated in the strategy, Finnish state's financial management is a model to the world. While this is not a vision that the National Audit Office could turn into reality single-handedly, we will make every effort to ensure that it will also be true in 2020.

By international standards, Finnish management of government finances has traditionally been exemplary. The world has confidence in Finland, and in the ability of the Finnish people to meet our obligations. This is something that we are proud of in Finland. Our outstanding reputation is also reflected as low interest rates on central and local government loans, or rates very close to the interests charged on German national debt, which are often used as a yardstick.

However, the audits carried out by the National Audit Office alone are adequate to indicate that our government finances are not on a sustainable track. The structural change of the national and international economy is also putting a lot of strain on central government finances in Finland. Stabilising government finances and solving the fiscal sustainability gap, as well as turning the tide of declining total productivity and economic growth by bold reforms are thus vital goals, which we cannot achieve without patient and innovative long-term efforts. While adjustments are required to revive our troubled national economy, ubiquitous digitalisation is driving a change in the government's resource administration towards ICT-based information management. This is a positive opportunity, but a change also always brings risks. In the current circumstances, successful reforms and efforts will be required to make sure that the Finnish state's financial management will indeed be a model to the world. In our own constitutional role, we would like to contribute constructively to reaching this goal.

In its VTV2020 strategy, the National Audit Office notes that it wishes to promote citizens' and taxpayers' willingness to pay taxes and support the functioning of Finnish democracy. Democracy is a value in its own right. In order for it to remain robust and work well, effective supervision is needed. Willingness to pay taxes is not something we should take for granted, as is

proven by the experiences of several European Union countries in the throes of the financial crisis. The National Audit Offices wishes to work for public governance that people are happy to support by paying their taxes. In the VTV2020 strategy, creating preconditions for and supporting a sustainable reform of central government finances and public administration is identified as one of the strategic focuses.

### Fiscal policy monitoring launched as a new statutory task

From the beginning of 2013, the National Audit Office has been entrusted with a new and important statutory task, or independent monitoring and analysis of fiscal policy. The National Audit Office will serve as the independent body monitoring fiscal policy required in the EU Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (Fiscal Compact), Council Directive 2011/85/EU on requirements for budgetary frameworks and Regulation (EU) No 473/2013 on common provisions for monitoring and assessing draft budgetary plans. The duty of monitoring fiscal policy builds on and complements fiscal policy auditing that the National Audit Office has been developing since 2008. In its capacity as an institution monitoring fiscal policy, the National Audit Office will also be expected to issue responsibly presented, carefully considered and well-argued public evaluations and opinions on the adequacy of the government's fiscal policy measures for achieving fiscal stability and the medium-term targets set for central government finances. The National Audit Office has been building up its capabilities for discharging its new duties and strengthening its macroeconomic competence in 2013. The agency has also joined international networks indicated by the new task.

### Stakeholders take a positive view of the way the agency has developed

The National Audit Office uses the information it produces and the interaction and public debate based on this information as a means for reaching its goals. The agency's reputation plays a key role for its influence. In 2013, an extensive survey of the National Audit Office's reputation was conducted to assess the agency's impact and preconditions for effective operation. The survey investigated the views of the Parliament, ministries, central government agencies and institutions, media representatives and citizens concerning the agency's activities. The previous extensive survey of the agency's reputation was conducted in 2008.

The survey results indicate that the National Audit Office is more recognizable to the citizens, who have a better idea of what the agency does. The ratings for recognisability were the highest among Members of Parliament and representatives of the ministries. The respondents felt that their ideas of the National Audit Office had developed positively in the last five years. Over one half of ministry representatives, Members of Parliament and respondents representing the central government and media said their images had developed positively. Members of Parliament associate considerably more positive images with the National Audit Office than before. The positive associations evoked by the National Audit Office also appeared to be stronger among representatives of the ministries, and the majority of the respondents, especially Members of Parliament and ministry representatives, said that the National Audit Office's activities had developed positively in the last five years.

Autonomous and independent decision-making is seen as one of the agency's strengths. According to the survey, other areas in which the National Audit Office has been successful include promoting the openness of government, the exemplary and professional nature of its activities and the quality of its audits. The National Audit Office's annual report to Parliament has clearly assisted the Parliament in its work.

The survey thus indicates that the efforts to develop the annual report to Parliament, closer interaction with the ministries and better service delivered to the Government have brought good results. The audit and performance reports are widely used, and the new compliance audit reports have been discovered and utilised by the ministries without delay. The ratings for the usefulness of audit reports are clearly higher than before. The information contained in the fiscal policy audit reports is appreciated.

According to the reputation survey, the most important areas requiring development in the National Audit Office's activities are bureaucratic and inflexible operating methods, ensuring the wider relevance of the observations, statements and recommendations, cautiousness of the activities and the usefulness of audits for developing activities.

### Reports to Parliament and audit reports support the development of our society

In its annual report to Parliament, the National Audit Office strives to highlight themes that are central for the Parliament. The need for a government steering policy and the reliability of the information base for decision-making were a special theme of the annual report submitted to the Parliament in 2013. The annual report contributed to the setting up and contents of a high-level project aiming to prepare a government steering policy, and also to the appointment and work of a parliamentary committee on developing the government's operating methods and the clarification of the roles of political leaders and top-level public servants.

For example, performance audits conducted by the National Audit Office had a direct impact on the legislation on shared central government IT services passed in 2013 and the policy outlines concerning the establishment of Government ICT Centre Valtori. On the other hand, the performance audit focusing on clear goal-setting in crisis management operations and keeping the Parliament informed also sparked a debate on the National Audit Office's role and the agency's capabilities of evaluating performance related to security. It is important, however, that we make an effort to also evaluate these questions and thus strive to improve the functional capacity of our national defence and crisis management as well as clear prioritisation and goal-setting. Secrecy related to security is one factor owing to which only such actors as the National Audit Office can conduct adequate third-party evaluations of financial management in defence and crisis management. A precondition for proceeding to such evaluations naturally is great wisdom and an ability to see the big picture. In these cases, the National Audit Office strives for a more extensive approach, rather than just the role of an accountant. In Sweden, a large-scale performance audit carried out by our Swedish counterpart (Riksrevision) focusing on the Swedish Defence Force's capabilities of discharging its statutory duties contributed to wide-based discussion on the key outlines of the defence policy and their reassessment.

The follow-up reports of performance audits indicate that the implementation rate of the National Audit Office's recommendations is good by international standards, and approximately 68 per cent of the recommendations assessed were implemented, at least to an essential extent. However, this figure is lower than in previous years. In particular, the share of recommendations that were implemented fully or almost fully, 18%, had plummeted to nearly one half of what it was the year before. Poor and slow progress was made in the implementation of recommendations related to the information base for decision-making in particular. In part, the poorer rates of implementation were due to the fact that themes related to complex, cross-administrative problems and societal impact are more demanding, and as such also less easy to implement.

Along with the Government's Structural policy programme, a new steering model is being introduced in local government finances. The new model will implement several of the recommendations given by the National Audit Office in its report on fiscal policy auditing for the last

electoral term. The National Audit Office's expert activities have also contributed to developing the steering model.

The agency's financial audits have verified the reliability of key financial information while highlighting the perspective of good governance and cost-effective management in financial management and administration. Excluding in certain problem areas, the state of accounting has thus shown a slow improvement. Financial audits also provide an essential foundation for work carried out through other types of audits and for confidence in the state's financial management. Compliance audits are finding their place as instruments for developing governance and legislation.

In 2013, the National Audit Office completed its oversight of election funding in the 2012 municipal elections. In the first EU Anti-corruption Report published in early 2014 (COM(2014)38), the European Commission referred in positive terms to the transparency of our election and party funding, and concurring with the views of the EU's Group of States against corruption GRECO, found that the Finnish system that safeguards the transparency of party funding, and also the National Audit Office's oversight, may serve as an inspiration to other countries. In many respects, the critical analyses of election and party funding in the Commission's report leaned on reports submitted by the National Audit Office to the Parliament on the oversight of election and party funding.

#### Working for a transparent and democratically accountable European Union

The National Audit Office has contributed to the implementation of accountability and transparency in the EU banking union and the coordination of fiscal policy as part of international cooperation. Finland chairs the EU's Network on Fiscal Policy Audit for supreme audit institutions and courts of auditors. In this capacity, the National Audit Office played a key role in organising the extraordinary meeting of directors-general of EU national audit offices and presidents of courts of auditors, which submitted a joint position to the chair of the European Council ahead of the Council meeting in June 2013 on safeguarding transparency and accountability as well as the requisite oversight. The European Council, for its part, highlighted these themes in its conclusions. Another vital European-level debate concerns the potential introduction of the joint European Public Sector Accounting Standards (EPSAS) in the European Union. The National Audit Office has striven to promote cost-effective solutions for supporting good governance, obtaining a reliable picture of the status of government finances in the member states, and producing information that serves the policy-makers.

#### Careful financial management and foresight in HR policy

Of the National Audit Office's effective working hours, 74.3 per cent were allocated for external performances, which was slightly down from the year before (75.4 per cent in 2011). Fewer working days were used on competence development and internal development projects in 2013 than in the previous year. Expert activities for ministries and the Parliament that complemented auditing and supervision accounted for a considerable share, or 11.7 per cent, of effective working time. The demand for the National Audit Office's expert activities is increasing. Due to recruitment of substitutes, employees returning from leave of absence and arrangements in anticipation of retirements, the actual number of person-years increased by 4 years from the previous year's figure, totalling 141. Through foresighted HR policy and personnel planning, an effort is being made to ensure the agency's effectiveness over as long a term as possible within the current level of appropriations.

The National Audit Office's strategic economic efficiency objective regarding the development of costs and expenses is not to exceed cost development in accordance with the Consumer Price Index over the planning period. An increase of 5.8% was seen in the operating costs and an increase of 5.4 was seen in the expenses compared to 2012, which exceeded the annual change of 1.6% in the Consumer Price Index. Another indicator of economic efficiency is the cost of an external performance day per person-year. In 2013, the cost of an external performance day went up by 2.5% to EUR 743. During the National Audit Office's stability and efficiency programme period that started in 2011, the expenses increased by 3.2% and the cost of a performance day by 7.5%, while the change in the Consumer Price Index in this period was 4.5%. The National Audit Office thus continued to be on track to achieve its strategic economic efficiency objectives as regards expenses, but the targeted cost of a performance day was not reached.

### Overall results

The National Audit Office managed its tasks very successful and with a high impact. The quality of our operations and confidence in them have improved. I would like to extend my thanks for this to our competent and dedicated personnel.

*Tuomas Pöysti*



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# 1 Annual Report

The National Audit Office is an independent external audit and control authority prescribed in the Constitution that operates outside actual state administration or administration under the Parliament.

The National Audit Office's task prescribed in the Constitution is to audit the effectiveness and legality of central government finances and compliance with the state budget. The National Audit Office performs this task by carrying out performance audits, financial audits, compliance audits and fiscal policy audits. The National Audit Office operates in Finland as the national audit body under the Lisbon Treaty 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 funding disclosures. Under the Act on Political Parties (10/1969, amended by 683/2010), the National Audit Office is prescribed with the task of supervising compliance with provisions concerning party subsidies, disclosures of election campaign expenses 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.

The latest task of the National Audit Office, which it started performing at the beginning of 2013, is the independent monitoring of fiscal policy, on which national provisions are laid down in the act on the implementation of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union and on multi-annual budgetary frameworks (869/2012) and the Act on

the National Audit Office (amended by Act 870/2012). Under European law, the task of fiscal policy monitoring is based on the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union and EU legislation (Council Directive 2011/85/EU on requirements for budgetary frameworks and Regulation (EU) No 473/2013 on common provisions for monitoring and assessing draft budgetary plans). Monitoring fiscal policy is a new statutory task that has elemental links with the National Audit Office's fiscal policy audits. A setting and processes required for discharging the new monitoring duty were put in place during the year under review.

## 1.1 Effectiveness

The National Audit Office supports the Parliament in the exercise of its legislative, financial and oversight power and is thus part of the constitutional system implementing and ensuring the Parliament's fiscal power. The National Audit Office's goal is to promote the effectiveness and quality of the financial management of the State. 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 party funding is to promote the openness of election and 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 vision contained in the National Audit Office's strategy document, VTV2020, is that the Finnish state's financial management is a model to the world. A reputation survey conducted during the reporting year indicates that the National Audit Office has already promoted the realisation of this vision in the eyes of its stakeholders, in particular central government and the Parliament. In the survey, the quality of the agency's interaction and its participation in the development of public administration were seen as key factors in making the vision a reality. The quality of the agency's activities and audits and its courage to intervene were seen as playing a key role in realising the vision.

The results of the external auditing of central government finances for society and citizens, and thus the social effectiveness of these activities, fall into three areas.

The most significant area with regard to the effectiveness of the National Audit Office's

activities is the preventive and accountability impact of audits. Two other areas are ensuring access to economic efficiency and performance information and ascertaining that internal control and steering work well, as well as the concrete corrective and development measures that are taken as a result of audits. These tasks support future economic decision-making by securing the information base required for making decisions.

### 1.1.1 Impact on supporting Parliament's budgetary and legislative power

On the basis of reports issued by the Parliamentary Audit Committee, the National Audit Office monitors the implementation of the Parliament's 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 that receive attention in the Audit Committee's reports are based mainly on key findings and conclusions presented to

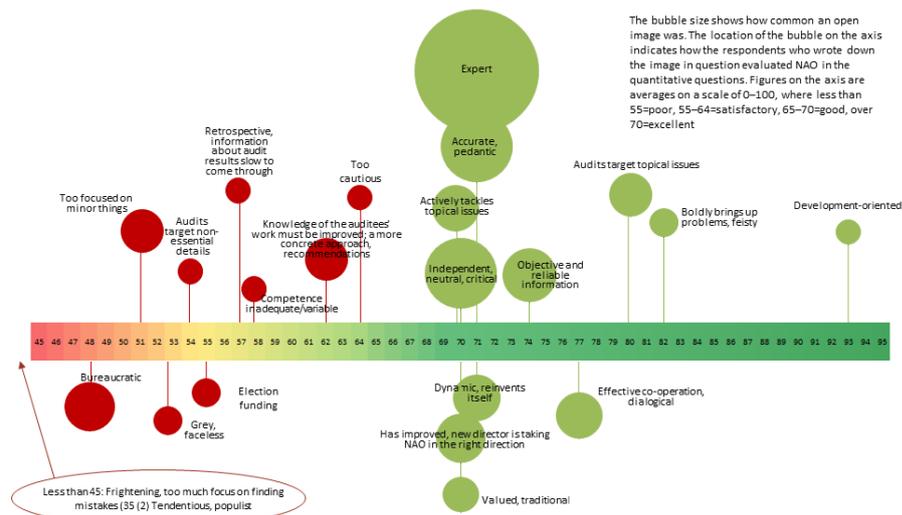


Figure 1 Images with the strongest influence on NAO's reputation (average values, index 0-100; less than 55=poor, 55-64=satisfactory, 65-70=good, over 70=excellent)  
 Source: Pohjoisranta Burson-Marsteller Oy: National Audit Office's reputation survey 2013

the Parliament in the National Audit Office's reports. The Parliament's positions concern the most significant matters in which achieving change has been slow. Consequently, matters are also followed over a longer period. The Parliament has issued two to four positions a year that have required the Government to report on a matter. Performance Audit follows up the implementation of the Parliament's positions and reports on its observations as part of the annual report to Parliament every year.

The National Audit Office's reputation survey conducted in 2013 shows that Members of Parliament find the information produced by the agency clearly more useful now than in 2008. The annual report to Parliament, for example, is better known than before.

### 1.1.2 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 findings. This monitoring aims to increase the preventive and accountability impact of audit activities. The National Audit Office works to promote sustainable public administration and central government finances in government administration. Through the special theme of the annual report to the Parliament in 2013, or the need for a government steering policy and reliability of the information base for making decisions, the National Audit Office promoted the reform of the government's steering mechanisms and steering policy. The National Audit Office carried out performance audits to promote the renewal and development of government ICT functions. In addition, Fiscal Policy Audit highlighted the significance of sustainability in central government finances, and Financial Audit worked to promote the development of the state's financial management.

The impact of the reporting requirements included in the previous year's financial audit reports was examined in conjunction with the 2012 financial audits. A total of three government agencies had been assigned with reporting requirements in financial audit reports for the year 2011. In all three cases, the reporting requirement was repeated either in part or in full in 2012 (3 in 2011, 3 in 2010).

Performance Audit monitors the implementation of positions included in its reports. The impacts of individual performance audits on audited entities are assessed through follow-up usually taking place two to three years after the submission of the report.

In 2013, the National Audit Office completed 19 follow-up reports, which evaluated the implementation of a total of 124 recommendations made by the National Audit Office.

Of the recommendations evaluated, 18% had been implemented in full or almost in full, 50% to some extent and 32% poorly or not at all. The share of recommendations that had been implemented in full or almost in full dropped to almost one half of the previous year's level. Similarly to the year before, there was little progress made in recommendations for measures aiming to improve the information base for making decisions. The increase in the share of recommendations implemented to some extent or not at all can also be explained by the difficulty of evaluating progress made in recommendations for measures that are by nature far-reaching and involve several actors within the time frame for follow-up.

The oversight of election funding in the 2012 municipal elections was completed during the year under review. At the EU level, the first European Union Anti-corruption report focused more attention to the importance of openness in election and party funding. In its report (COM (2014) 38), the European Union notes the openness of party funding in the Finnish system, including the oversight of party funding by the National Audit Office. We should also note that the Europe-

an Commission refers to the National Audit Office's reports to the Parliament on election and party funding.

### 1.1.3 The National Audit Office's impact on citizens' confidence 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 state administration in general. One audit objective is to ensure the administration's accountability for good governance. This can be achieved by the means of auditing to ensure compliance with legislation and the budget, good and efficient financial management and open communication about any development needs and problems. Confidence in public administration is social capital for the nation, the development of which is difficult to measure or assess in annual performance

reporting. Confidence also plays a financial role as regards the central government's capability of making the necessary yet at times difficult decisions required in financial management.

The foundation of the National Audit Office's ability to promote the citizens' confidence in public administration and the state's financial management is its good reputation as a producer of reliable information among its stakeholders, in particular the Parliament and central government, and that the citizens also know the agency better than before.

According to the survey, the respondents feel that the agency is a bold and dynamic actor, the audits are correctly targeted and cooperation with the agency is smooth; these are key elements in the National Audit Office's good reputation. The attribute most commonly associated with the agency is expertise. The National Audit Office supports a well-functioning democracy and provides a setting for public debate on the state's fi-

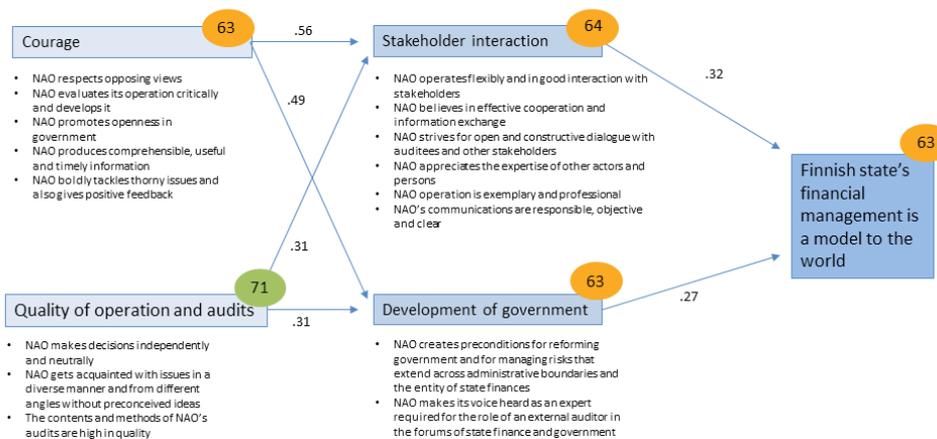


Figure 2 Assessments that influence respondents' ideas of how well the NAO's vision will be realised (average values, index 0–100; less than 55=poor, 55–64=satisfactory, 65–70=good, over 70=excellent)  
 Source: Pohjoisranta Burson-Marsteller Oy: National Audit Office's reputation survey 2013.

nancial management by producing objective and reliable information about the state's financial management and its effectiveness as well as compliance with the budget and fiscal policy rules.

The supervision of the legality of election and party funding implements citizens' right to access information about and assess the financial interests of political parties and those holding public elected offices. This has a clear impact of preventing corruption and promoting good governance. External auditing of central government finances and the supervision of the legality of election and party funding are elements of the institutional arrangements in place to prevent corruption and promote good governance. The supervision of election and 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, Performance Audit contributes to efforts to reinforce the citizens' expectations regarding good and effective financial management. Audit information

also makes it possible for citizens to personally assess the activities of authorities and their results. Some performance audits and their results have also been of direct interest to citizens and inspired lively public debate. These were also highlighted in the survey of the National Audit Office's reputation carried out in 2013 as factors that optimally reinforce the agency's good reputation. In addition, the survey indicates that the agency is better known to citizens than in 2008. The reputation survey results support the idea that from the citizens' perspective, the effectiveness of auditing activities has developed positively.

Interaction between the National Audit Office's personnel and the stakeholders has strong links with the agency's reputation, and the agency has thus invested in developing the personnel's interaction skills. The agency's statements in the media are also valued highly, and their systematic nature was improved during the year under review, for example by means of media coaching.

Interaction and openness between the National Audit Office and the public admi-

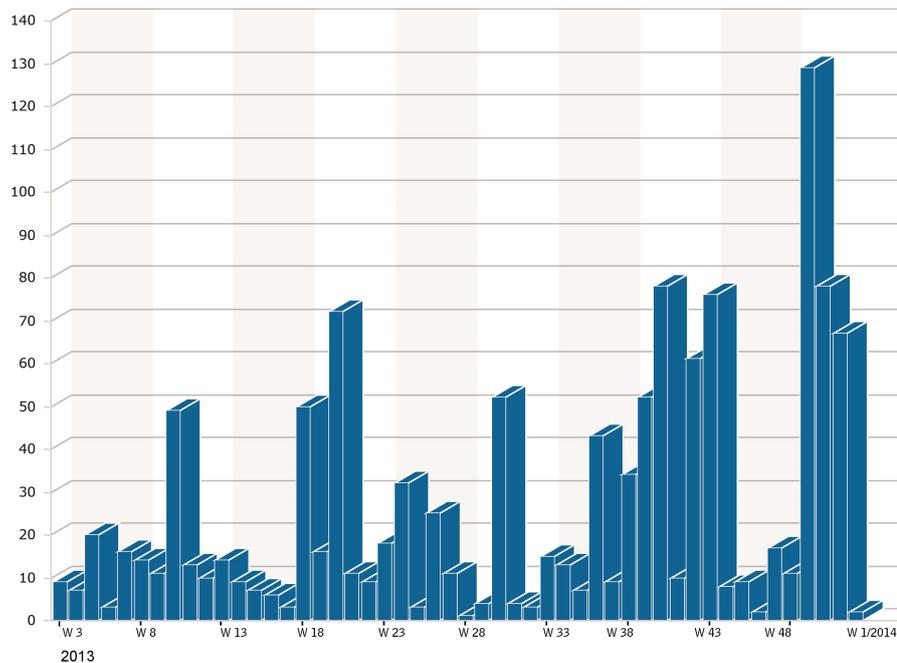


Figure 3 Number of media hits by week in 2013. The greatest peaks coincide with the publication of audit reports and, in particular, with weeks when the agency was seen on television.

nistration were increased by the policy on the publication of statements concerning draft audit reports introduced in 2012. A uniform approach is applied in the requesting of comments from auditees concerning draft fiscal policy, compliance and performance audit reports. The auditees' statements are published on the National Audit Office website in accordance with the principles of good audit communications and good governance. Therefore they are openly accessible by citizens and central government officials.

During the year under review, the National Audit Office published a total of 26 press releases and organised two press conferences. The agency had good media visibility, with over one thousand hits during the year. In addition to the results of individual audits, the media showed a particular interest in the funding of the municipal elections, party funding and the National Audit Office's position on the outsourcing of consultancy services by the Ministry of Finance. The most interesting audit results for the media included human interest topics, including disabled war veterans or special needs education and, on the other hand, audits directly relevant to the state's financial management.

The communications policy 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). Other guidelines taken into consideration in communications are the IS-SAI standards relating to the quality of audit communications and the Central Government Communications Guidelines (2010). Communications on the monitoring of fiscal policy are also guided by the requirements in the common principles on the implementation of the EU Stability Pact and national fiscal policy correction mechanisms and in the European legislation on open communication and participation in public debate.

#### 1.1.4 The National Audit Office's impact on international development in the audit sector and the setting for international cooperation

In 2013, the National Audit Office targeted its international activities at audits of fiscal policy, the financial and economic crisis, and audits of the related financing arrangements. The National Audit Office engaged in cooperation with other Supreme Audit Institutions required by the financial and economic crisis and chaired one of the subgroups of the INTOSAI Task Force Global Financial Crisis. The subgroup's final report was included in the overall report presented at the INTOSAI conference in Beijing in October 2013.

In addition, the National Audit Office focused attention on environmental audits in 2013. The National Audit Office is a participant in INTOSAI and EUROSAI Working Groups on Environmental Auditing, in which the agency has emphasised the importance of including the perspective of central government finances in environmental auditing.

The National Audit Office was a member of the INTOSAI WGEA steering group in the period 2011–2013 and assumed responsibility for a research project relating to sustainable development reporting published in June 2013. This study (Sustainability Reporting: Concepts, Frameworks and the Role of Supreme Audit Institutions) indicates that the audit institutions should monitor the development of sustainability reporting in the private sector and consider their role in the event that new, integrated reporting requirements make their way to the public sector. In this case, adequate consideration for the special features of the public sector should also be ensured.

An act that entered into force at the beginning of 2013 (869/2012) instigated the National Audit Office as an Independent Fiscal Institution (IFI), and under this act, the agency oversees compliance with the provisions of the EU Treaty on Stability, Coordination and Governance in the Economic and Mone-

tary Union and the Budgetary Frameworks Directive. During the year under review, the National Audit Office took part in the annual meeting of the OECD Parliamentary Budget Officials and Independent Fiscal Institutions and the work of the EU Network of Independent Fiscal Institutions (EUNIFI). While discharging its fiscal policy monitoring task, the National Audit Office engages in significant bilateral information exchanges and cooperation with the European Commission. In its role as an Independent Fiscal Institution, the agency also takes part in expert cooperation organised by the International Monetary Fund (IMF).

The National Audit Office is an active participant both in INTOSAI Working Group on Key National Indicators and in INTOSAI Working Group on Public Debt. The latter group continues its work to reform international public debt management audit standards. National debt management in accordance with international standards and the verification of this through external audits help support the stability of the international financial system, which also has an indirect economic impact on the Finnish economy.

The National Audit Office also chaired the Fiscal Policy Audit Network that works under the Contact Committee of the Heads of the Supreme Audit Institutions of the European Union. The National Audit Office played an active role in stressing the importance of accountability, transparency and the arrangement of public external auditing at the meeting of the Contact Committee of the Supreme Audit Institutions of the European Union, which issued a declaration on the importance of appropriate audits and accountability arrangements in the Economic and Monetary Union and EU economic governance in 2013. At its meeting in June 2013, the European Council noted that the principles of the Contact Committee declaration are important, and in its conclusions, the Council refers to stronger democratic legitimacy and accountability in this context.

The European Commission (Eurostat) launched efforts to develop harmonised Eu-

ropean Public Sector Accounting Standards. According to the Commission, the objective of the possible new EPSAS standards is to improve the transparency of financial data, harmonise the public-sector accounting data in the member states and improve comparability between the member states. The Commission has proposed the International Public Sector Accounting Standards (IPSAS) as the starting point for the development efforts. The National Audit Office monitored the preparation of the EPSAS standards and influenced the efforts to develop them with other national actors. At the EU level, the agency has brought its expertise and know-how to bear on the EPSAS development by its active inputs, for example at the EU high level conference and in working groups. The National Audit Office also exerted influence through a public consultation organised by the European Commission by preparing a statement on the EPSAS governance model and its key principles.

The Nordic supreme audit institutions continued upgrading their cooperation in the year under review. Needs-based cooperation, mutual learning, sharing of information and bringing benefits to the organisations will be increasingly emphasised in the cooperation. The Nordic supreme audit institutes can learn from each other in many respects, for example in the areas of developing audit methods and application of good practices. The meeting of Directors-General in 2013 discussed such themes as risk analysis of central government finances and the national economy, auditing information security risks and the EPSAS/IPSAS accounting standards.

In the year under review, the National Audit Office continued following up the implementation of development targets arising from an international peer review that focused on the effectiveness and compliance with standards of the agency's quality management system. In addition, the National Audit Office agreed to take part in a peer review of the Lithuanian Supreme Audit Institution together with the European Court of

Auditors and the Norwegian Supreme Audit Institution. The National Audit Office will be responsible for evaluating performance and financial audits.

The National Audit Office took part in a peer review of the Supreme Audit Institution in Sweden (Riksrevisionen) together with its counterpart in the United Kingdom (National Audit Office), assuming particular responsibility for performance audit. The main

parts of the peer review were carried out in 2013, and its final report was handed over to Riksrevisionen in December of that year. The peer reviews support the development of Nordic audit activities, and also provided the National Audit Office with an opportunity for learning from the audit activities of other countries.

## 1.2 Outputs and quality management

### 1.2.1 Number of performances and achieved public goods

A total of three fiscal policy audit reports and reports to Parliament were completed in 2013. The fiscal policy audit reports emphasise the high number of expert activity performances, which in the year under review largely focused on consultations with parliamentary committees and the preparation of such consultations (top management 10, Fiscal Policy Audit 5), international and domestic expert tasks of Fiscal Policy Audit and a number of expert presentations both in Finland and at the European Union level. The share of Fiscal Policy Audit in the agency's external expert work was 28.5% (28.3% in 2012).

Section 10 of the Act on a Candidate's Election Funding (273/2009) lays down provisions on the National Audit Office's duty to supervise compliance with the election funding disclosure obligation and to give the Parliament a report on its performance of this duty for every election.

In 2013, the National Audit Office submitted to the Parliament a report on the oversight of election funding in the municipal elections that took place in 2013 (18/2012 vp).

The National Audit Office also performed its duties prescribed in the Act on Political Parties (10/1969, amended by 683/2010) in 2013. Up-to-date disclosures as required under the Act regarding support received by parties, party associations and affiliated entities were received pursuant to the Act. The National Audit Office also made sure the organisations and foundations supervised by it submitted their final accounts and auditors' reports to the disclosures register. In addition, the National Audit Office carried out a total of 20 audits of party organisations and affiliated entities under the Act on Political

Parties. A report on these as referred to in section 9 e of the Act will be submitted to the Parliament in spring 2014.

In accordance with the National Audit Office's audit plan, Financial Audit reported on the audit of the final central government accounts for 2012 and the Report on the Final Central Government Accounts as well as issued financial audit reports concerning 69 accounting agencies, off-budget funds or agencies under the performance management of a ministry in 2013. Two compliance audit reports were submitted in 2013. Compliance audits were also carried out in connection with financial audits, and the relevant reports were contained in the financial audit reports. Financial Audit accounted for 17.6% of the National Audit Office's external expert activities (11.9% in 2012).

A total of 14 performance audits were carried out in 2013. Of these, an audit report was drawn up for eleven and a separate report for one. One audit was aborted after the preliminary enquiry, and one was concluded with a letter and a memorandum. In addition, a report titled "Tutkimus-, koulutus- ja innovaatiotoiminnan hyödyntäminen kiinteistö- ja rakennusalalla" (Utilising the results of research, education and innovation in the real estate and construction sector) was completed. The impetus for this publication came from a workshop titled "Utilising the results of RDI in the real estate and construction cluster" organised by the National Audit Office on 11 April 2013. In the year under review, INTOSAI's Working Group on Environmental Auditing, which was chaired by the National Audit Office, completed its report titled "Sustainability reporting: Concepts, Frameworks and the Role of Supreme Audit Institutions". In addition, a study by Professor Jyrki Tala on the quality and development needs of legislative drafting, which supports the agency's efforts to audit the quality of legislation, was published in the National Audit Office's publication series. The share of Performance Audit in the agency's external expert activities was 53.9% (59.8% in 2012).

The number of follow-up reports prepared by Performance Audit during the year under review totalled 19. The target of completing 13 audit reports and 20 follow-up reports was narrowly missed.

In the year under review, the National Audit Office issued a total of 22 expert statements on the legislative and other projects of various ministries. A total of 32 statements were issued to the Parliament, mainly in connection with consultations of parliamentary committees.

The year under review was the first year of the new strategy period (2013–2020). In the reporting year, particular priorities of the efforts to develop audit activities included a sharper focus on the perspective of central government finances in auditing and reforming audit reporting.

In 2013, the National Audit Office received 9 reports from state authorities concerning abuses of state funds or assets (16 in 2012, 22 in 2011).

A total of 9 cases involving suspected abuses by recipients of government aid (7 in 2011, 13 in 2010) were also reported by central government agencies to the National Audit Office. The National Audit Office also received copies of reports on the monitoring of aid from agencies administering EU aid.

The National Audit Office received 51 complaints from private persons and organisations regarding the financial management of the state (55 in 2012 and 67 in 2011). The number of complaints addressed during the year totalled 52 (67 in 2012 and 58 in 2011).

### 1.2.2 Service delivery and the quality of performances and public goods

#### Fiscal Policy Audit

During the year under review, Fiscal Policy Audit submitted to the Parliament its interim report for the electoral term, which provides a foundation for debate on government finances and the evaluation of the government's fiscal policy decisions. The Na-

tional Audit Office noted that structural reforms are a precondition for closing the sustainability gap and stabilising government finances. Adjustments and reallocations of the expenditure cannot take place without a thorough debate on the structure of the expenditure and its legislative and other justifications. In practice, this means preparing careful expenditure analyses, especially in the middle and at the end of the electoral term. In the National Audit Office's view, the duties of the municipalities and the state must be reviewed when making adjustments, and savings must also be made in the benefit systems, central government transfers and discretionary grants, and government support. From the perspective of closing the sustainability gap, the limited coverage of the government spending limits is a challenge. The majority of the expenditure arising from providing public services falls on the municipalities. The National Audit Office thus highlighted the need to plan and monitor government finances as a larger whole. The National Audit Office also brought up its views on developing central government finances in the context of the comprehensive plan for general government finances prepared under the leadership of the Ministry of Finance. The interim report for the electoral term also highlighted the significance of healthy competition in structural reforms of the economy.

The Government's Structural policy programme contains the implementation of a new local government macroeconomic steering model, in which a number of recommendations previously given by the National Audit Office are carried out, including looking at government finance as a whole, a joint examination of the funding and tasks of the local authorities, and a spending limit set for expenses arising from duties imposed by the central government on municipalities. Recommendations issued by Fiscal Policy Audit have been implemented to a reasonable extent, considering the large scale of the issues concerned. Fiscal Policy Audit is thus finding its place in securing a reliable fiscal policy information base and promoting sustainable

management and renewal of central government finances.

In the year under review, Fiscal Policy Audit carried out an audit of the structural balance computation, or calculation of the cyclically adjusted balance, as requested in a report by the Parliament and the Finance Committee (VaVM 38/2012 vp). The National Audit Office conducted an audit to verify the contents of the structural balance computation and sought to improve its transparency. It was necessary for the National Audit Office to proceed to its own estimates of Finland's structural balance and thus ascertain the quality and reliability of the Commission's calculations.

### Performance Audit

The quality objective of Performance Audit was to conduct all performance audits in accordance with the Performance Audit Manual or lower-level instructions supplementing it and that the evaluations of completed reports are carried out by a head of the unit who did not participate in the audit process. These objectives were reached. 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 evaluations indicate that the quality of audits was improved from the year before, and it was at a high level on average. Greatest room for improvement can still be detected in the clear presentation of audit findings and particularly in the placement of correct emphasis on essential issues.

Another quality objective was to prepare all audits exceeding 180 person-days in scope as teamwork. The objective was reached for audits completed during the year under review, excluding one case.

The target set for performance audits was to complete audits within 18 months from their commencement date. This is to ensure that audit findings are current and therefore also effective. In 2013, five audit reports

were completed within the 18 months set as the target. The target was missed slightly in four audits and by several months in two cases. In addition to these, one audit ended in a letter. All in all, the deadlines set for audit projects were reached better than during previous years. While the schedule-related target set for the completion of audit reports was not fully met, the objective regarding the currency and effectiveness of the most important audit findings was reached.

The service delivery objective was to send out an expert in response to all audit-related consultation requests made by parliamentary committees. The aim is also to respond to corresponding audit-related requests and requests for statements made by public administration. These objectives were reached.

### 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 financial audit director evaluates compliance with the audit manual as part of their supervision task. In addition to control during audits, the unit carried out internal quality checks where heads of audit groups were given the task of conducting quality checks of audits conducted in other audit groups.

The objective regarding the schedules of financial audit reports was to complete the 2012 financial audits for ministries by 17 May 2013, those for accounting agencies besides ministries and for other agencies by 11 May 2013, and the audit of the final central government accounts by 20 May 2013.

The financial audit reports were completed on schedule. 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 given, with their quality assurance taking place lar-

gely along the same principles as those applied to financial audit reports.

### 1.2.3 Functioning of the National Audit Office's quality system

#### Quality assurance

Quality assurance at the National Audit Office is founded on audit units ensuring that audit manuals and guidelines are up-to-date and these documents and practices are continuously developed. The manuals and guidelines are based on the international ISSAI standards adopted by INTOSAI, an external auditor's ethical principles created on the basis of the ISSAI, and the Finnish principles of good governance. Quality assurance in audit units is built into their audit processes.

#### The quality group's tasks and reporting

The National Audit Office has a quality group for the continuous assessment and development of the quality management system and for the monitoring of quality. The group reports to the Auditor General and the heads of units responsible for arranging quality assurance for the audits. The National Audit Office's quality group compiled and submitted a quality report for the year under review to the National Audit Office's management. This report covered all of the agency's sectors. The quality group's tasks also include the promotion of good quality practices within the agency. In 2013, this objective was achieved in particular by evaluating the implementation of development targets having come up in the international peer review. The aforementioned quality report was also published on the National Audit Office website under planning and monitoring documents.

#### Functioning of the quality system

The National Audit Office's units are responsible for the quality of their operations and

maintain quality systems as appropriate for their activities. Their quality systems are based on up-to-date audit manuals and operational guidelines, a standardised audit process, up-to-date guidance and control to ensure quality during the audit process as well as ex-post quality checks. The quality systems help the units ensure a consistently high quality, prevent and restrict the impacts of any quality deviations and produce basic information for the further development of quality in the units' operations.

The National Audit Office supports and coordinates the units' quality assurance work by means of joint quality and operating guidelines and by supporting the monitoring and implementation of international auditing sector standards.

In the strategy work on improving quality in the year under review, as a particular aim for audit reporting was set better accessibility of the reports to those parties that could benefit from the audit results the most. Better interaction between the auditee and the National Audit Office during the audit process was set as another quality objective. This perspective was addressed in the review of auditing guidelines in the area of processing any feedback received. In general, attention was paid on improving the means of interaction in the agency at large as well as in its individual units in the work carried out to develop the audits, in the audit guidelines and in training. The methods of internal quality control were improved by involving the relevant auditor in the quality assessment, so that they can receive direct feedback for their work. To facilitate the usability of audit results, the essential readability of the reports has been improved by developing their structure, and efforts to develop risk analyses of central government finances and the national economy have been launched with the aim of ensuring that the analyses also lend themselves as far as possible to the planning and targeting other than fiscal policy audits.

The appointment of a quality committee, which was planned for the year under re-

view, was postponed till 2014.

As a summary of the quality group's report, it can be stated that in general, the National Audit Office has sufficient tools for quality risk management. However, in the National Audit Office's activities as a whole, the personnel risk indirectly also poses a quality risk. From this perspective, quality risk management is about the required competence, motivation, project management and balanced use of resources. Audit units have made efforts to prevent and restrict the impacts of personnel risks on audit work quality through active measures including the use of project management tools, promotion of teamwork and documentation practices. However, further attention should be focused on managing the personnel risk.

## 1.3 Operational efficiency

The National Audit Office continues to implement the stability and efficiency programme launched in 2010, aimed to achieve within the agency the savings required by the general situation of central government finances and to meet the resulting requirement to cut down on the number of the National Audit Office's person-years and to make changes in the structure of positions while the workload is increasing, in as sustainable a manner as possible. Personnel cuts increase the audit risk referred to in international external audit standards. During the year under review, the number of person-days allocated for external performances increased by 2.8% from 2012. 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 to not 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 them-

selves back as improved economy or effectiveness within a transparent payback period/useful life. In practice, reaching these objectives requires the sustained 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 and coping at work and improve the prerequisites for these.

### 1.3.1 Operational productivity

A more systematic planning of personnel resources resulted in an increase in working time allocated for external performances by 2.8% from 20,056 working days in 2012 to 20,623 working days in the year under review. The share of external performances in the National Audit Office's person-years was down from 58.7% in 2012 to 58.5% in the year under review.

### 1.3.2 Operational economy

The cost of the National Audit Office's external performances per person-day went up from €725 in 2012 to €743 in the year under review (€691 in 2010). This means an increase of 2.3% in the cost per external performance day (4.9% in 2012). There was a 5.4% increase in the National Audit Office's operational costs year-on-year.

## 1.4 Management and development of intellectual resources

The National Audit Office's HR policy was prepared in conjunction with the VTV2020 strategy and with strong personnel involvement. The HR policy adopted for 2013–2020 lays a foundation for successful operation and a good working environment. The HR policy is based on the National Audit Office's vision and values. The key objectives are

- that the National Audit Office is a good, inspiring and competitive employer,
- that the operations are reliable, competent and open,
- supporting management and its preconditions at all levels,
- ensuring competence development, and
- providing the employees with a good and fair working life experience.

In the context of drafting the VTV2020 strategy, a skills policy 2013–2020 was also drawn up for the agency. The National Audit Office determined the agency's shared competence areas in 2013. These include audit competence, competence related to the auditees and the operating environment, methodology competence, and scientific, functional and organisational competence. The National Audit Office's internal training programme was put together in the form of the agency's shared training calendar during the year under review, and competence development has been expanded through large-scale internal training. The agency's shared competence areas will be prioritised in the National Audit Office's personnel competence development, and in 2013, a particular focal point of competence development was building up skills relating to the auditees and the operating environment and acquiring in-depth functional competence. In addition, the National Audit Office's competence policy includes competence transfers as well as maintaining and acquiring competence.

The occupational health care action plan was updated and discussed with the occupational health care services and the OHS representatives. Close cooperation with the occupational health care services continues. Workplace centred health checks were launched in the year under review. In this context, conducting workplace studies was also initiated, and opportunities to take part in individual health checks and a fitness test were provided for the personnel. The workplace health checks were carried out with groups of employees, and their aim was surveying

the employees' ability to work and coping at work as well as the functioning of the workplace and the working environment. The plan is to use the feedback and development proposals collected during the workplace health checks in the planning of any further actions to support a culture of cooperation, a positive workplace atmosphere and interactivity at the workplace.

The personnel's occupational ergonomics was improved, taking individual and health-related needs into account. An occupational physiotherapist conducted ergonomics checks at 31 workstations and gave the employees instructions for managing ergonomics at their personal workstations in 2013. If this was seen necessary after the visit, the occupational physiotherapist gave recommendations for procuring office furniture that supports ergonomics, including desks and equipment that can be electrically adjusted.

The personnel were supported in their personal efforts to keep fit by maintaining a gym and providing opportunities for trying out various sports and activities in connection with staff recreation events or training days. An introduction to working out with kettlebells organised at the gym was received with wide-spread enthusiasm, and kettlebell training will thus also continue next year.

The last periods of group-oriented vocational rehabilitation that started the year before took place during the year under review.

The agency relies on resource planning to achieve good work management. Productive operation and coping at work were supported by means of anticipating work duties, division of labour and new tools.

Open and clear information is provided to the entire staff and shared events and activities are organised for the personnel to support community spirit at the National Audit Office.

Performance Audit has produced a competence map that specifies the agency's competence requirements. The map has been used to identify training needs at development discussions. The results have formed

the basis for the planning and implementation of Performance Audit's training. Training provision is quite extensive and implemented over several years. During the year under re-

view, the focus in training was on the central government administration system and its development as well as central government finances, with training provided in topics including the legal basis of the state's financial

**Operational Productivity indicators**

Table 1 Effective working time by type of performance (person-days)			
	2011	2012	2013
Financial audit	7,566	7,482	6,823
Compliance audit	963	548	662
Performance audit	5140	4567	5018
Fiscal policy audit	5,140	4,567	5,018
Reports to Parliament	377	287	326
Management, external	312	184	327
Supervision of election and party funding	3,678	3,490	3,638
External expert activities	647	460	424
Total of external performances	2,911	3,037	3,406
Total indirect working hours, holidays and other leaves of absence	21,684	20,056	20,623
Total working time	7,641	7,557	7,495

**Operational economy indicatorst**

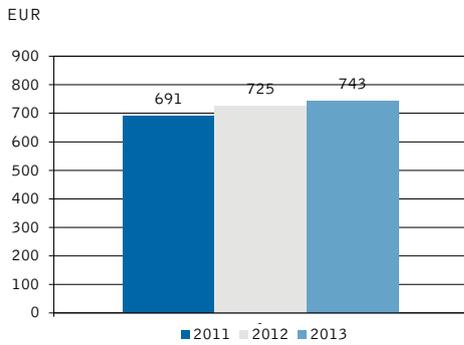


Figure 4 Cost per National Audit Office performance day

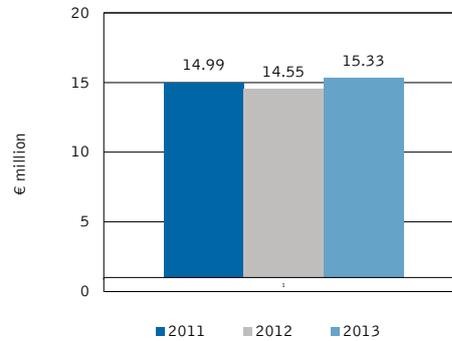
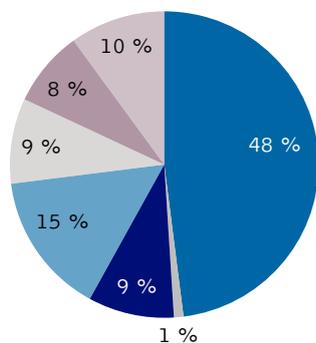


Figure 5 Overall cost developmen



- Audits and expert activities
- Party and election funding oversight
- Internal activities
- Absences
- Real estate costs
- Proportion of the agency's other shared costs
- Proportion of the administrative unit

Figure 6 Breakdown of total costs by type of performance

## Human resource management and development indicators

### Number of personnel, personnel structure and personnel costs

The number of persons employed at the end of 2013 increased by 5.7% year-on-year. Three employment relationships ended at year end. The number of person-years was 2.9% higher than in the previous year. The share of women in the entire personnel had gone up from 42.1% to 48.7% by the end of the year.

	2011	2012	2013	Annual change %
<b>Number of employees on 31 Dec</b>	<b>144</b>	<b>140</b>	<b>148</b>	<b>5.7</b>
Women	61	59	72	22.0
Men	83	81	76	-6.2
<b>Person-years</b>	<b>144</b>	<b>137</b>	<b>141</b>	<b>2.9</b>

The average age of employees was down by 2.8% on the year before, as a result of five retirements and new recruitments, which mainly were for a fixed term, during the year under review. At the end of the year employees aged 45 years or over accounted for 58.1% of the personnel, which is 5.5 percentage points less than at the end of 2012. The largest age group at the National Audit Office is those aged 35 to 44, accounting for 33.1% of the entire personnel. The year before, the largest age group was those aged 55–64 years.

Table 3 Average age of women and men, personnel age structure on 31 Dec

	2011	2012	2013	Annual change %
<b>Total personnel</b>	<b>49.1</b>	<b>49.7</b>	<b>48.3</b>	<b>-2.8</b>
Women	46.6	47.6	45.5	-4.4
Men	50.9	51.2	50.9	-0.6

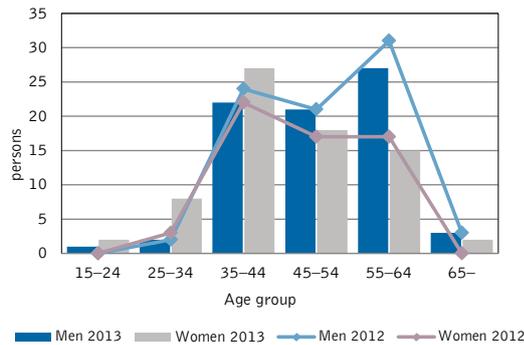


Figure 7 Personnel age structure on 31 Dec.

The personnel education level index is 6.6. At year-end, 76.4% of the personnel had a master's degree, down 3.5 percentage points on the year before, while those with a licentiate or a doctor's degree accounted for 12.8% of the personnel, or up 1,7 percentage points compared to the end of the year before.

Table 4. Education level index on 31 Dec

	2011	2012	2013	Annual change %
<b>Total personnel</b>	<b>6.7</b>	<b>6.7</b>	<b>6.6</b>	<b>-1.5</b>
Women	6.5	6.5	6.4	-1.5
Men	6.9	6.9	6.8	-1.4

Most employees have permanent employment relationships. The share of fixed-term employees was 8.8% of the entire personnel.

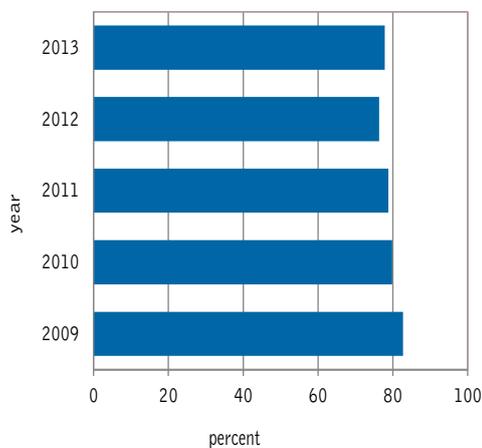
Table 5 Permanent and fixed-term employees on 31 Dec

	2011	2012	2013	Annual change %
<b>Permanent</b>	<b>137</b>	<b>135</b>	<b>134</b>	<b>-0.7</b>
Women	56	56	62	10.7
Men	81	79	72	-8.9
<b>Fixed-term</b>	<b>7</b>	<b>5</b>	<b>14</b>	<b>180.0</b>
Women	5	3	10	233.3
Men	2	2	4	100.0

The share of part-time employees is low, representing 4.1% of the entire personnel.

**Table 6 Full-time and part-time employees on 31 Dec**

	2011	2012	2013	Annual change %
Full-time	137	136	142	4.4
Part-time	7	4	6	50



**Figure 8 Work done during regular working hours as a share of regular annual working hours (%)**

**Table 7 Labour costs**

	2011	2012	2013	Annual change %
Total labour costs €/year	12,224,634	11,888,083	12,304,611	3.5%
Pay for actual working hours, % of total pay	75.7%	73.3%	74.2%	1.2%
Indirect labour costs	4,738,818	4,722,589	4,874,712	3.2%
Share of indirect labour costs of pay for actual working hours	63.3%	65.9%	65.6%	-0.5%

Source: Tahti system.

## Well-being at work

As expected, the personnel turnover rate increased slightly on the year before. A total of 2.1% of those employed at the end of 2012 transferred to another employer. This is 1.4 percentage points less than in 2012. In addition, 1.4% retired, which was up 2.1 percentage points year-on-year. Absences due to illness went down by 26.3% compared to 2012. Occupational health care services were used on 671 occasions, or 4.8 times per person-year. The number of visits to the occupational health care services increased by 4.3% per person-year from the year before. Net costs of occupational health care services increased by 26.0%. The workplace health checks carried out during the year under review had a major impact on this figure.

Table 8 Personnel turnover and other indicators of well-being at work

	2011	2012	2013	Annual change %
Outgoing turnover (% of personnel) <sup>1</sup>	2.0%	3.5%	7.6%	117.1%
Incoming turnover (% of personnel) <sup>2</sup>	0.7%	3.5%	15.3%	337.1%
Absences due to illness (days/person-year)	6.1	9.5	7.0	-26.3%
Net occupational health care costs (€/person-year)	€592	€620	€781	26.0%

<sup>1</sup> Those who transferred to another employer.  
<sup>2</sup> Those who came from another employer.

## Competence development

Participation in training increased further by 13.3% per person-year. Training costs excluding pay costs and independent development of professional skills were up by 10.4% per person-year on the year before.

Table 9 Training and development

	2011	2012	2013	Annual change %
Participation in training (€/person-year) <sup>1</sup>	€1,402	€985	€1,087	10.4
Participation in training (working days/person-year) <sup>1</sup>	9.2	10.5	11.9	13.3

<sup>1</sup> Does not include pay costs for lost working hours or independent development of professional skills.

## 1.5 Analysis of the financial statements

### 1.5.1 Structure of financing

Compared to the final accounts for 2012, no changes took place in financing. The National Audit Office's operating costs were covered from item 21.40.01 and VAT expenses from item 21.40.29.

### 1.5.2 Compliance with the budget

The budget appropriated for the National Audit Office's operating costs in 2013 amounted to €15,307,000 (€15,379,000 in 2012). A total of €12,945,000 was used on operating costs (€13,042,000 in 2012). A total of €2,362,000 was carried forward from the operating costs item to the following year, up €25,000 on the previous year's amount carried forward. The budget appropriated €582,000 for the National Audit Office's VAT expenses in 2013, which sum was exceeded by €6,829.37.

### 1.5.3 Statement of income and expenses

The National Audit Office's operational expenses increased by 5.8% compared to the year before. Personnel expenses accounted for 77.7% of the National Audit Office's expenses in 2013 (79.2% in 2012). Salaries and fees were up 2.9%. The next largest expense items after personnel costs were purchases of services at 6.6% and rents at 8.1%. There was a 21.1% increase in service purchases and a minor decrease in rents.

### 1.5.4 Balance sheet

During the year under review, the value of the National Audit Office's fixed assets and other long-term investments decreased to €59,455.03 from the €122,788.82 recorded the year before.

## 1.6 Statement of internal control and approval

The National Audit Office's management is responsible for making sure that the National Audit Office applies appropriate procedures in view of the scope and content of its finances and activities and the risks involved (internal control) to verify the legality and effectiveness of the National Audit Office's finances and activities, to protect the funds and assets that are under the National Audit Office's control and to provide true and fair information on the National Audit Office's finances and activities.

The state of the internal control and risk management was evaluated by comparing it with the Government Controller-General's recommendation on good practices and the evaluation of internal control and risk management in state agencies and by making use of the evaluation framework in the recommendation. The evaluation prepared by the National Audit Office's management was supported by the units' self-assessments and a summary drawn up of these assessments, a quality report on the agency's audit and supervision activity produced by the agency's quality group, the information security report produced for the management as well as observations made in the course of internal control. On the basis of the evaluation, internal control and risk management in the National Audit Office meet the requirements that have been set, and the internal control of the financial process and other resource processes is adequate.

The year 2013 saw the development of audit guidelines, quality work and measures that support well-being at work. A decision was made to carry out a survey of the well-being at work in early 2014. The agency continued developing a package for independent online study and a re-

lated information security exam as part of information security training for the personnel contained in the new information security management model. Originally, these had been scheduled for implementation in 2013. The level of security was found to be high enough to enable the secure handling of audit material. The quality group continued following up the implementation of development targets that came to light in connection with the international peer review carried out earlier and reporting on them. For information about quality management and quality risk management measures in auditing, please refer to section 1.2.3 of this Annual Report.

The National Audit Office proceeded to implement the stability and efficiency programme adopted by the agency, under which foresighted strategic resource planning based on a reducing number of personnel has been continued in the agency's operational planning. The impacts of the personnel reductions are regarded as the greatest risk for the National Audit Office, with preparations made for it by assessing the importance of tasks and adapting objectives more carefully to the resources.

Particular attention should be paid by the National Audit Office in 2014 to the promotion and development of processes and practices that cross unit boundaries, with special focus on promoting interaction between the units. Attention also needs to be paid to developing interaction between the agency and the auditees. Key development measures in 2014 will be utilisation of the results of the external review with impact on strategy and practical activities, the development of the central government finances and national economy risk analysis towards improved steering effect, the development of audit guidelines, evaluating the achievement of strategic goals in audits, continuation of measures supporting well-being at work, continuation of information security training and in this context, implementing an information security exam for the personnel

Helsinki, 14 March 2014

Auditor General

Tuomas Pöysti

Assistant Auditor General

Esa Tammelin

## 1.7 Summary of observed abuses

There is nothing to report for the year.

## 2 Compliance with the budget

Main title, item, account number, name and type of appropriation	Accounts		Budget 2013 appropriations		Comparison - Accounts		Supplementary information concerning appropriations carried forward			
	2012	Budget 2013 (incl. sup.)	used in 2013	carried forward to next year	2013	Budget - Accounts	Carried forward from previous years	Available for use in 2013	Use in 2013 (excl. cancellations)	Carried forward to next year
<b>21. Parliament</b>										
<b>21.40. National Audit Office of Finland</b>	<b>15,906,049.53</b>	<b>15,889,000.00</b>	<b>13,534,083.70</b>	<b>2,361,745.67</b>	<b>15,895,829.37</b>		<b>2,336,925.34</b>	<b>17,643,925.34</b>	<b>15,282,179.67</b>	<b>2,361,745.67</b>
21.40.01 National Audit Office's operating costs (2-year transf.)	15,379,000.00	15,307,000.00	12,945,254.33	2,361,745.67	15,307,000.000	0.00	2,336,925.34	17,643,925.34	15,282,179.67	2,361,745.67
21.40.29 National Audit Office's VAT expenses (est.)	527,049.53	582,000.00	588,829.37	0.00	588,829.37	-6,829.37	0.00	0.00	0.00	0.00
<b>Total expenditure accounts</b>	<b>15,906,049.53</b>	<b>15,889,000.00</b>	<b>13,534,083.70</b>	<b>2,361,745.67</b>	<b>15,895,829.37</b>		<b>2,336,925.34</b>	<b>17,643,925.34</b>	<b>15,282,179.67</b>	<b>2,361,745.67</b>

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### 3 Statement of income and expenses

	1.1.2013–31.12.2013		1.1.2012–31.12.2012	
Operational income				
Other operational income	20,00	20,00	3 292,00	3 292,00
<b>Operational expenses</b>				
Materials, supplies and goods::				
Purchases during the year	373 325,53		192 735,56	
Personnel expenses	12 105 164,79		11 666 162,04	
Rents	1 241 738,14		1 243 963,41	
Outsourced services	1 527 527,08		1 254 648,96	
Other expenses	275 714,03		281 195,71	
Depreciation	63 323,79	15 586 793,36	91 257,73	14 729 963,41
<b>Deficit III</b>		-15 586 793,36		-14 726 671,41
<b>Income from taxes and compulsory charges</b>				
VAT paid	-588 829,37	-588 829,37	-527 049,53	-527 049,53
<b>Deficit for the year</b>		<u>-16 175 602,73</u>		<u>-15 253 720,94</u>

## 4 Balance sheet

	31.12.2013		31.12.2012	
<b>Assets</b>				
Fixed assets and other long-term investments				
Intangible assets				
Intangible assets	0,00		213,65	
Other long-term expenditure	30 457,18	30 457,18	63 683,23	63 896,88
Tangible asset				
Machinery and equipment	28 997,85		58 034,59	
Furnishings	0,00	28 997,85	847,35	58 881,94
Total fixed assets and other long-term investment		59 455,03		122 778,82
Inventories and financial assets				
Current receivables				
Other current receivables	0,00	0,00	7 509,73	7 509,73
Total inventories and financial assets		0,00		7 509,73
Total assets		<u>59 455,03</u>		<u>130 288,55</u>
<b>Equity and liabilities</b>				
<b>Equity</b>				
State's equity				
State's equity 1.1.1998	-819 653,02		-819 653,02	
Change in previous years	-2 065 617,19		-1 951 410,71	
Equity transfers	15 568 527,05		15 139 514,46	
Deficit for the year	-16 175 602,73	-3 492 345,89	-15 253 720,94	-2 885 270,21
Current liabilities				
Short-term				
Accounts payable	441 451,13		146 841,97	
Inter-agency transfers	284 901,50		296 647,16	
Payable items	214 150,84		200 871,41	
Accrued expenses	2 611 297,45	3 551 800,92	2 371 198,22	3 015 558,76
Total liabilities		<u>3 551 800,92</u>		<u>3 015 558,76</u>
Total equity and liabilities		<u>59 455,03</u>		<u>130 288,55</u>

## 5 Notes

### 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.

Depreciation according to plan has been calculated on a straight-line basis according to the original purchase price.

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 expenses, personnel expenses include salaries, holiday pay, overtime, expert fees, training fees, other fees, the change of holiday pay liabilities and side costs. Other expenses include travel costs, domestic and international membership fees, user fees, vehicle insurance premiums to the State Treasury and other compulsory charges which are not taxes.

Under current liabilities in the balance sheet accrued expenses include holiday pay liabilities and other accrued expenses.

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 expenses

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

### Note 3 Overspending of estimated appropriations

Main title and item	Budget (Budget and supplementary budgets)	Overspending	Overspending %
21. Parliament	582,000.00	6,829.37	1
21.40.29 VAT expenses	582,000.00	6,829.37	1
<b>Main title total</b>	<b>582,000.00</b>	<b>6,829.37</b>	<b>1</b>

### Note 4 Cancelled transferred funds

The National Audit Office does not have cancelled transferred funds.

### Note 5 Itemisation of personnel expenses

	2013	2012
<b>Personnel expenses</b>	<b>9,984,850.87</b>	<b>9,665,474.23</b>
Salaries and fees	9,803,796.24	9,516,876.99
Change in holiday pay liabilities	181,054.63	148,597.24
<b>Side costs</b>	<b>2,120,313.92</b>	<b>2,000,687.81</b>
Pension expenses	1,829,135.93	1,739,569.74
Other personnel expenses	291,177.99	261,118.07
<b>Total</b>	<b>12,105,164.79</b>	<b>11,666,162.04</b>
Management salaries and fees <sup>1)</sup> incl.	753,198.87	903,634.81
- performance-based items	8,550.10	51,181.52
<b>Fringe benefits</b>	<b>164,660.94</b>	<b>151,257.46</b>
Management	8,558.89	8,074.30
Other personnel	156,102.05	143,183.16

1) Does not include personnel side cost.

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

Depreciation according to plan has been calculated on a straight-line basis according to the economic life of assets. The National Audit Office does not own national property.

Depreciation principles did not change during the year

Depreciation periods are as follows:

Fixed assets	Depreciation method	Depreciation period years	Annual depreciation %	Residual value %
<b>Intangible assets</b>				
112 Intangible assets				
1120 Purchased computer software	straight-line	3	33	0
114 Other long-term expenditure				
1140 Customised computer software	straight-line	3	33	0
<b>Tangible assets</b>				
125–126 Machinery and equipment				
1250 ACars and other road vehicles	straight-line	7	14	0
1255 Computer hardware and accessories	straight-line	3	33	0
1256 Office machinery and equipment	straight-line	5	20	0
1257 Telephone switchboards and other communications equipment	straight-line	5	20	0
1258 Audiovisual machinery and equipment	straight-line	5	20	0
1269 Other machinery and equipment	straight-line	5	20	0
127 Furnishings				
1270 Apartment and office furnishings	straight-line	5	20	0

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

The acquisition cost includes all fixed assets whose economic lives had not ended at the beginning of the year, even if their acquisition cost had been completely written off.

The National Audit Office does not own national property.

Fixed assets	Intangible assets		
	Intangible assets	Other long-term expenditure	Total
Acquisition cost 1.1.2013	272,905.74	121,902.48	394,808.22
Increases			
Decreases			
<b>Acquisition cost 31.12.2013</b>	<b>272,905.74</b>	<b>121,902.48</b>	<b>394,808.22</b>
Accumulated depreciation 1.1.2013	272,692.09	58,219.25	330,911.34
Accumulated depreciation difference			0,0
Depreciation according to plan during the year	213.65	33,226.05	33,439.70
Depreciation not according to plan during the year			
Impairment during the year			
<b>Accumulated depreciation 31.12.2013</b>	<b>272,905.74</b>	<b>91,445.30</b>	<b>364,351.04</b>
Appreciation			
<b>Book value 31.12.2013</b>	<b>0.00</b>	<b>30,457.18</b>	<b>30,457.18</b>

Fixed assets	Tangible assets		
	Machinery and equipment	Furnishings	Total
Acquisition cost 1.1.2013	918,882.17	76,699.17	995,581.34
Increases			0.0
Decreases	5,934.97	6,854.67	12,789.64
<b>Acquisition cost 31.12.2013</b>	<b>912,947.20</b>	<b>69,844.50</b>	<b>982,791.70</b>
Accumulated depreciation 1.1.2013	860,847.58	75,851.82	936,699.40
Accumulated depreciation difference	5,934.97	6,854.67	12,789.64
Depreciation according to plan during the year	29,036.74	847.35	29,884.09
Depreciation not according to plan during the year			
Impairment during the year			
<b>Accumulated depreciation 31.12.2013</b>	<b>883,949.35</b>	<b>69,844.50</b>	<b>953,793.85</b>
Appreciation			
<b>Book value 31.12.2013</b>	<b>28,997.85</b>	<b>0.00</b>	<b>28,997.85</b>

#### Note 8 Financial income and expenses

The National Audit Office does not have any financial income or expenses.

#### Note 9 Loans granted from the budget

The National Audit Office does not have any loans granted from the budget that were outstanding at the end of the year.

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

The National Audit Office does not have any shares or participations in companies or other securities comparable to shares.

#### Note 11 Financial assets and liabilities in the balance sheet

The National Audit Office does not have any financial assets or liabilities in the state budget economy that were outstanding at the end of the year.

#### 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 multi annual commitments

€	Budget expenditure 2013	Appropriation required 2014	Appropriation required 2015	Appropriation required 2016	Appropriation required beyond	Appropriation required total
Lease agreement	1,442,110.98	1,420,045.20	1,420,045.20	1,420,045.20	1,420,045.20	5,680,180.80
Total	1,442,110.98	1,420,045.20	1,420,045.20	1,420,045.20	1,420,045.20	5,680,180.80

#### Note 13 Reserve funds in the balance sheet

The National Audit Office does not have any reserve funds in the balance sheet.

#### Note 14 Reserve funds outside the balance sheet

The National Audit Office does not have any reserve funds outside the balance sheet.

#### Note 15 Changes in liabilities

The National Audit Office did not have any liabilities in the state budget economy that were outstanding during the year.

#### Note 16 Maturity breakdown and duration of liabilities

The National Audit Office does not have any maturity breakdown or duration of liabilities in the balance sheet.

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

True and fair information has been provided in the National Audit Office's financial statements and notes as well as in the review of operations.

No abuses or crimes were detected in the National Audit Office.

## 6 Signatures

The final accounts were approved in Helsinki on 14 March 2014.

Auditor General                      Tuomas Pöysti

Chief Administrative Officer      Mikko Koironen

## National Audit Office's Management Group in 2013



Auditor General Tuomas Pöysti

Deputy Auditor General Tytti Yli-Viikari

Deputy Auditor General Marjatta Kimmonen

Senior Director for Performance Audit Jarmo Soukainen

Chief Administrative Officer Mikko Koironen

Assistant Auditor General Esa Tammelin

Director for Fiscal Policy Audit Heidi Silvennoinen

Personnel representatives:

Principal Financial Auditor Klaus Krokfors

Principal Performance Auditor Eeva Miettinen

The members of the National Audit Office's Management Group in 2013 were Auditor General Tuomas Pöysti, Deputy Auditor General Vesa Jatkola, Deputy Auditor General Marjatta Kimmonen, Deputy Auditor General Tytti Yli-Viikari, Chief Administrative Officer Mikko Koironen and Assistant Auditor General Esa Tammelin; Director for Fiscal Policy Audit Heidi Silvennoinen as an expert of fiscal policy audit and oversight and audit planning and risk analysis issues; as personnel representatives, Principal Financial Auditor Klaus Krokfors and Principal Performance Auditor Eeva Miettinen. While Deputy Auditor General Tytti Yli-Viikari was on parental leave, her deputies in the Management Group were Deputy Head of Executive Office and Fiscal Policy Audit Nina Alatalo (not in the photo) and Director for Fiscal Policy Audit Heidi Silvennoinen. While Deputy Auditor General Vesa Jatkola (not in the photo) was on annual leave, his deputy was Senior Director for Performance Audit and Management Group member Jarmo Soukainen.



## APPENDIX 1 Use of working hours 1.1.–31.12.2013

### 1.1 USE OF WORKING HOURS BY UNIT 1.1. – 31.12.2013 (by project home)

By audit type and function	AG and CoS	PA	FA	EMS	AS	TOTAL	%
Financial Audit	0	6 823	0	0	0	6 823	24,6 %
Compliance Audit	0	662	0	0	0	662	2,4 %
Performance Audit	0	0	5 018	0	0	5 018	18,1 %
Fiscal Policy Audit	0	0	0	326	0	326	1,2 %
Reports to Parliament	0	0	0	327	0	327	1,2 %
Management, external	427	1 416	1 335	458	2	3 638	13,1 %
External expert activities	0	569	1 744	923	1	3 237	11,7 %
-Kantielu ja väärinkäytökset	0	0	95	73	0	168	0,6 %
<b>Audits and expert activities total</b>	<b>427</b>	<b>9 470</b>	<b>8 192</b>	<b>2 107</b>	<b>3</b>	<b>20 199</b>	<b>72,7 %</b>
Party and election funding supervision	0	373	0	51	0	424	1,5 %
<b>External performances total</b>	<b>427</b>	<b>9 843</b>	<b>8 192</b>	<b>2 157</b>	<b>3</b>	<b>20 623</b>	<b>74,3 %</b>
<b>Share of external performances in effective working time</b>	<b>427</b>	<b>9 843</b>	<b>8 192</b>	<b>2 157</b>	<b>3</b>	<b>20 623</b>	<b>74,3 %</b>
<b>Internal activities</b>	<b>AG and CoS</b>	<b>PA</b>	<b>FA</b>	<b>EMS</b>	<b>AS</b>	<b>TOTAL</b>	<b>%</b>
Management, internal	0	259	288	341	440	1 329	4,8 %
Competence development	0	714	717	324	27	1 781	6,4 %
Development projects	0	432	85	22	153	692	2,5 %
Shared NAO activities	0	0	0	232	0	232	0,8 %
- International cooperation	0	0	0	315	0	315	1,1 %
- Recreation and other events	0	0	0	0	101	101	0,4 %
- Shop steward activities	0	0	0	0	15	15	0,1 %
- OHS activities	0	0	0	0	45	45	0,2 %
- Internal audit	0	0	0	14	0	14	0,1 %
Accounting unit, tasks and financial administration AS	0	0	0	0	454	454	1,6 %
Cost calculation and working hour monitoring AS	0	0	0	0	178	178	0,6 %
Personnel administration and HR AS	0	0	0	0	431	431	1,6 %
Office services AS	0	0	0	0	504	504	1,8 %
Library and information services AS	0	0	0	0	26	26	0,1 %
Registry and archive services AS	0	0	0	0	299	299	1,1 %
Devel. and maint. of ICT for auditing AS	0	0	0	0	168	168	0,6 %
Devel. and maint. of ICT for administration AS	0	0	0	0	200	200	0,7 %
Basic IT devel. and maint. AS	0	0	0	0	186	186	0,7 %
Local support AS	0	0	0	0	172	172	0,6 %
<b>International peer development services LKP</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,0 %</b>
<b>Internal performances total</b>	<b>0</b>	<b>1 405</b>	<b>1 090</b>	<b>1 248</b>	<b>3 400</b>	<b>7 142</b>	<b>25,7 %</b>
<b>Share of internal performances in effective working time</b>	<b>0</b>	<b>1 405</b>	<b>1 090</b>	<b>1 248</b>	<b>3 400</b>	<b>7 142</b>	<b>25,7 %</b>
<b>Effective working time total</b>	<b>427</b>	<b>11 248</b>	<b>9 282</b>	<b>3 405</b>	<b>3 403</b>	<b>27 765</b>	<b>100 %</b>
<b>Absences</b>	<b>AG and CoS</b>	<b>PA</b>	<b>FA</b>	<b>EMS</b>	<b>AS</b>	<b>TOTAL</b>	<b>%</b>
Other paid leaves	0	196	516	5	77	794	10,6 %
Annual leave	123	2 055	1 700	442	488	4 809	64,2 %
Compensation leave	0	303	151	18	36	508	6,8 %
Illness	7	459	671	77	97	1 311	17,5 %
Illness of a child	0	22	12	22	16	73	1,0 %
<b>Absences total</b>	<b>130</b>	<b>3 036</b>	<b>3 051</b>	<b>565</b>	<b>714</b>	<b>7 495</b>	<b>100 %</b>
<b>Working hours total</b>	<b>557</b>	<b>14 284</b>	<b>12 333</b>	<b>3 970</b>	<b>4 116</b>	<b>35 260</b>	<b>100 %</b>

## APPENDIX 2 Completed performances in 2013

### National Audit Office's reports to Parliament

National Audit Office's report to Parliament on its activities in 2013, K 18/2013 vp

National Audit Office's separate report to Parliament on the audit of the final central government accounts for 2012 and the Report on the Final Central Government Accounts, K 14/2013 vp

National Audit Office's separate report to Parliament: Interim report by Fiscal Policy Audit on electoral term 2011–2014, K 2/2013 vp

National Audit Office's report to Parliament on the monitoring of election funding in the 2012 municipal elections, K 15/2013 vp

National Audit Office's report to Parliament on the monitoring of party funding in 2012, K 5/2013

### Audit reports

#### Financial Audit

##### Office of the President of the Republic

Office of the President of the Republic 63/53/12

##### Prime Minister's Office

Prime Minister's Office 64/53/12

##### Administrative branch of the Ministry for Foreign Affairs

Ministry for Foreign Affairs 65/53/12

##### Administrative branch of the Ministry of Justice

Ministry of Justice 66/53/12

Criminal Sanctions Agency 67/53/12

##### Administrative branch of the Ministry of the Interior

Ministry of the Interior 68/53/12

ICT Agency HALTIK 69/53/12

Emergency Response Centre Administration 70/53/12

Finnish Immigration Service 71/53/12

Emergency Services College 72/53/12

National Police Board 73/53/12

Boarder Guard 74/53/12

##### Administrative branch of the Ministry of Defence

Ministry of Defence 75/53/12

Construction Establishment of Defence Administration 76/53/12

Defence Forces 77/53/12

##### Administrative branch of the Ministry of Finance

Ministry of Finance 78/53/12

State Department of Åland 79/53/12

Regional State Administrative Office for Southern Finland 80/53/12

Statistics Finland 81/53/12

National Board of Customs 82/53/12

State Treasury 83/53/12

Government Institute for Economic Research 84/53/12

Finnish Government Shared Services Centre for Finance and HR 85/53/12

Tax Administration 86/53/12

Population Register Centre 87/53/12

##### Administrative branch of the Ministry of Education and Culture

Ministry of Education and Culture 88/53/12

National Archives 89/53/12

National Board of Antiquities 90/53/12

National Board of Education 91/53/12

Academy of Finland 92/53/12

Governing Body of Suomenlinna 93/53/12

Finnish National Gallery 94/53/12

##### Administrative branch of the Ministry of Agriculture and Forestry

Ministry of Agriculture and Forestry 95/53/12

Finnish Food Safety Authority 96/53/12

Finnish Geodetic Institute 97/53/12

MTT Agrifood Research Finland 98/53/12

Tike, Information Centre for the Ministry of Agriculture and Forestry 99/53/12

National Land Survey of Finland 100/53/12

Agency for Rural Affairs 101/53/12

Finnish Forest Research Institute 102/53/12

Finnish Game and Fisheries Institute 103/53/12

##### Administrative branch of the Ministry of Transport and Communications

Ministry of Transport and Communications 104/53/12

Finnish Geodetic Institute 105/53/12

Finnish Transport Agency 106/53/12

Finnish Transport Safety Agency 107/53/12

Finnish Communications Regulatory Authority 108/53/12

#### Administrative branch of the Ministry of Employment and the Economy

Ministry of Employment and the Economy 109/53/12  
 Energy Market Authority 110/53/12  
 Centre for Economic Development, Transport and the Environment for South Savo 111/53/12  
 Geological Survey of Finland 112/53/12  
 Finnish Competition Authority 113/53/12  
 National Consumer Research Centre 114/53/12  
 Consumer Agency 115/53/12  
 Finnish Tourist Board 116/53/12  
 Centre for Metrology and Accreditation 117/53/12  
 Finnish Patent and Registration Office 118/53/12  
 Tekes - the Finnish Funding Agency for Technology and Innovation 119/53/12  
 VTT Technical Research Centre of Finland 120/53/12  
 Finnish Safety and Chemicals Agency Tukes 121/53/12

#### Administrative branch of the Ministry of Social Affairs and Health

Ministry of Social Affairs and Health 122/53/12  
 Finnish Medicines Agency 123/53/12  
 National Supervisory Authority for Welfare and Health 124/53/12  
 Radiation and Nuclear Safety Authority 125/53/12  
 National Institute for Health and Welfare 126/53/12

#### Administrative branch of the Ministry of the Environment

Ministry of the Environment 127/53/12  
 Housing Finance and Development Centre of Finland 128/53/12  
 Finnish Environment Institute 129/53/12

VFinal central government accounts 130/53/12

#### Funds outside the state budget

Fire Protection Fund 131/53/12  
 Oil Protection Fund 132/53/12

#### Fiscal Policy Audit

164/51/2012 Central government spending limits procedure and fiscal policy reporting. Continuous fiscal auditing

13/2013 Audit of the structural balance computation

#### Compliance Audit

10/2013 Budgeting, monitoring and reporting of budget authorities

11/2013 Compensation for the costs of disabled war veterans' institutional care

#### Performance Audit

1/2013 Role of the Customs in combating the grey economy

2/2013 Rehabilitation extends working careers

3/2013 Government IT service centres

4/2013 Agricultural support administration

5/2013 Productivity of tax auditing

6/2013 Traffic safety

7/2013 Good governance model in companies discharging special government tasks and their ownership steering

8/2013 Special needs teaching in basic education

9/2013 Military crisis management

12/2013 Steering system in the Ministry for Foreign Affairs' administrative branch

15/2013 Finavia Oyj's derivative instruments in 2009–2011

#### Report on an international cooperation project

Sustainability reporting: Concepts, Frameworks and the Role of Supreme Audit Institutions

#### Audits concluded with letters

Food safety

Transport system planning as an instrument for implementing transport policy

## APPENDIX 3 Organisation and division of tasks



[View / Print out Organisation and division of tasks in a larger format](#)

iPad users are advised to lock the screen rotation (= portrait) – the table is in landscape.

Senior public officials representing the employer appointed by the Parliament's Office Commission in the National Audit Office comprise Auditor General Tuomas Pöysti, Deputy Auditor General Tytti Yli-Viikari, Deputy Auditor General Marko Männikkö (from 1 March 2014), Deputy Auditor General Marjatta Kimmonen, Assistant Auditor General Esa Tammelin, Chief Administrative Officer Mikko Koironen, Deputy Head of Executive Office and Fiscal Policy Audit Nina Alatalo and Director for Fiscal Policy Audit Heidi Silvennoinen.

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