

ANNUAL REPORT

2010





**National Audit Office's Annual Report
for 2010**

186th year of operation

Review by the Auditor General

The foundations of Nordic and other western parliamentary democracies include well-functioning parliamentary control of the achievement of the objectives set for central government finances and social policy as well as independent external control and audits that create the preconditions and information base for this. Changes in the economic operating environment have increased the importance of ex post supervision and external audits of central government finances for Parliament's activities. The National Audit Office is, along with the Parliamentary Ombudsman and the Chancellor of Justice, an independent audit body prescribed in the Constitution that operates outside actual state administration. According to the Constitutional Law Committee and constitutional assessments conducted with its assistance, the National Audit Office's constitutional objective is to ensure and promote confidence in the functioning of democracy and the implementation of the principles of good governance.

The National Audit Office is part of the constitutional system securing Parliament's fiscal power – its power to decide upon state revenues and expenditure. Therefore the National Audit Office's activities and their assessments have a focus on the perspective and needs of Parliament as the highest state organ. The purpose of the National Audit Office is to produce audit and monitoring information that is objective and useful for decision-making purposes for Parliament and also for the Government audited and the administration operating under it. According to the parliamentary Audit Committee's assessment, the National Audit Office has succeeded well in its efforts to support Parliament in the exercise of its oversight power and produce useful and reliable information for Parliament.

It is not a purpose of the National Audit Office to produce a maximum amount of critical observations for Parliament. The amount of judgmental statements or critical publicity is not one of its objectives. As an external audit body its purpose is to hold the Government and administration to account for managing central government finances and resources as well and effectively as possible. If necessary, this calls for preparedness to report observations and conclusions, including critical ones, which requires high quality, objectivity and professional consideration. Creating and supporting a culture of responsible financial management and good governance and maintaining an atmosphere of high societal confidence based on these are important effectiveness objectives.

The National Audit Office performs its task prescribed in the Constitution by carrying out audits of the state's finances and other legality audits as well as performance audits and audits of fiscal policy information base and effectiveness. The international ISSAI standards concerning legality audits were adopted and entered into force in late 2010. The National Audit Office launched the first legality audits in 2010 and is developing legality audits into a practical audit product. Audits of fiscal policy information base and effectiveness were formulated into a separate audit product. The year 2010 saw the National Audit Office prepare the first report (separate report to Parliament R 21/2010 vp) on the findings of an external evaluation of fiscal policy covering the entire electoral term conducted in accordance with the OECD and IMF recommendations concerning fiscal policy and budget transparency. The audit manual for steering system audits, a new audit product that combines the methods and perspectives of financial audits and performance audits, was completed in 2010. Steering system audits focus particularly on how well the steering and management system of a ministry and its administrative sector is capable of securing the performance of the duties laid down on ministries under section 68 of the Constitution effectively and in accordance with the principles of good governance.

An important social task and outcome of Financial Audit has been to draw attention to the perspectives of good governance and the internal control included in it as well as the perspectives of the management of economical efficiency and productivity and accountability for these. As regards internal control and, more broadly, good governance, the National Audit Office has fo-

cused attention to the need to develop legislation and administration to achieve clear responsibilities and well-functioning processes in the new central government operating models that utilise service centres and, in part, also outsourcing. The status of productivity and economic efficiency measurements has improved slowly, but there is still room for improvement in the management of economic efficiency and productivity.

In expert activity related to fiscal policy audits taking place at the international level, attention has been drawn in the context of European Union stability arrangements to the arrangement of external supervision securing good governance and accountability and to the major liabilities and risks involved with central government on and off-balance sheet items. The National Audit Office's initiatives resulted in measures including the perspective being examined by the European Council.

Performance Audit has a focus on the achievement of the objectives set for social policy and the prerequisites of this or, in other words, the social effectiveness perspective. Around half of the performance audits had a key focus on the effectiveness perspective, and this was specifically emphasised in the National Audit Office's reports to Parliament submitted as parliamentary documents. The level of implementation of the National Audit Office's recommendations provided in the context of performance audits is very high, even considering that attention has been drawn in performance audits to increasingly extensive and socially more difficult issues. Monitoring of the implementation of positions and recommendations shows that 72% of the National Audit Office's positions had been implemented to a significant degree, while 42% were implemented fully or almost fully. Recommendations have also been implemented to a significant degree in legislation. The good outcome in this respect is also due to successful cooperation between Parliament and its Audit Committee and the National Audit Office.

The year under review was the last full year of the 2007–2010 electoral term. During the 2007–2010 electoral term, parliamentary oversight was renewed and strengthened through the establishment of the Audit Committee. This resulted in the major development task of creating practices for collaboration between the Audit Committee and the National Audit Office and for exchange of information between them within the framework set by their respective independent tasks. Good procedures concerning collaboration and exchange of information have been created between the Audit Committee and the National Audit Office, and these have contributed to the strengthening of Parliament's fiscal power and related oversight power. The National Audit Office's reports to Parliament have helped make society's strategic issues subject to strategic evaluations and debate in the Audit Committee and Parliament. Well-functioning parliamentary and external oversight contributes to efforts to support a culture of good financial management. Financial management now takes place on a more sustainable basis than it would if supervision of responsible economic and fiscal policy and financial management were solely reliant upon an agency such as the Ministry of Finance. Society and citizens are winners in a setting where there is a broader commitment to and accountability for good financial management and the securing of it. The public finance crisis experienced by

several European Union Member States has shown the high value of sustained commitment to responsible financial management and good governance for the entire society.

During the year under review, the National Audit Office was tasked with the supervision of legality to secure the openness of political party funding, which made the National Audit Office the supreme overseer of openness and legality of election and party funding. To perform this new task, the National Audit Office had to embark on the most extensive information system development project in its entire history. Designed to serve citizens and the media as well as political parties and election candidates, the new system was made available by the deadline set.

While being allocated new tasks, the National Audit Office is expected to participate in productivity measures and achieve a downturn in the number of personnel in the same manner as other parliamentary units. After all, the idea is for Parliament to act as an example in this respect. The National Audit Office has launched its own stability and efficiency programme to achieve

genuine improvements in productivity and efficiency and to be able to perform the increased amount of tasks on reduced human resources. At the same time the stability programme aims to provide personnel with a safe and motivating workplace environment. The development seen in one of the National Audit Office's key efficiency indicators – costs per day of performance production – shows a positive development trend in efficiency: costs per day were down 4% from €830 to €796.

The 2000s have seen external audits of financial management in Finland receive the role that belongs to them in Nordic and western European parliamentary democracies. The entry into force of Finland's new Constitution in 2000 and the establishment of the Audit Committee and the abolishment of the Parliamentary Auditors under a constitutional amendment in 2007 resulted in the external audits conducted by the National Audit Office being transformed from administrative office duties to highly influential and responsible external audit duties. Today the content of these duties is as demanding and involves as much responsibility as the duties of the external auditors of listed companies. Therefore it is particularly important to ensure the quality of audit work. The fair treatment of auditees must also be ensured, making sure they are able to feel that they are treated correctly and fairly in all situations and regardless of any differences in views. There is a need for a further strengthening of this feeling of fair treatment among auditees.

The high and increasing level of responsibility involved in external audit work as well as the increased expectations faced by external audits place considerable challenges on human resources management and attendance to employee wellbeing. According to extensive personnel surveys conducted in the National Audit Office, a feeling of insufficiency and stress and strain is a wellbeing at work problem detected among part of the personnel. Improvements in atmosphere have not taken place at the rate set as a target by executive management. On the other hand the rate of short-term absences – which often implies problems with wellbeing at work – is low in comparison with other parliamentary employees and in general at a good level. During the year under review the sick leave rate in the National Audit Office was 7.3 workdays per person-year. The actual average retirement age is almost 67 years. According to the surveys used in occupational safety and health inspections of the National Audit Office by Regional State Administrative Agency divisions of occupational health and safety, the situation of the National Audit Office is clearly better than that of comparable public administration workplaces and in many areas falls within the best quarter. However, results of interviews conducted during occupational safety and health inspections show that there is a clear need to pay attention to the management and prevention of work stress and strain, with efforts already being made to improve wellbeing at work through several measures launched in 2010. The most important of these include more realistic planning of audit tasks and development of management work through a management coaching programme and other measures. Teamwork and joint problem-solving will be increased. Flexibility and opportunities for organising one's own work have been increased through the introduction of telecommuting opportunities for employees in suitable positions. Telecommuting takes place on a voluntary basis as agreed and may not exceed 16 days of the approximately 20 working days in a month. The flexible telecommuting option has been received positively.

All in all the National Audit Office's performance level was excellent in 2010. This result was achieved as a joint effort by our entire personnel. I would like to thank our entire personnel for this excellent performance for the benefit of our nation.

Tuomas Pöysti



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1 Review of operations

The National Audit Office is an independent external audit and control authority prescribed in the Constitution that operates outside actual state administration and administration under 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, legality and regularity audits (legality audits) as well as audits of the fiscal policy information base and effectiveness in which these audit methods are combined. 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.

In addition to its constitutional task, the National Audit Office is also 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 (683/2010), the National Audit Office is prescribed with the task of inspecting 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.

1.1 Effectiveness

The National Audit Office supports Parliament in the exercise of its legislative, finan-

cial and oversight power and is thus part of the constitutional system implementing and ensuring Parliament's fiscal power.

The National Audit Office's basic goal is to promote the effectiveness and quality of the financial management of the state.

It ensures that state funds are collected, managed and used in accordance with legislation and Parliament's decisions and in a sound manner. 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 state funds are achieved and that the Government and administration have taken the necessary measures to achieve them.

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

The most significant area with regard to the effectiveness of the National Audit Office's activities is audits' preventive and oversight impact. Two other areas are ensuring access to economic efficiency and performance information and the functioning of internal control and steering as well as the concrete corrective and development measures that are taken as a result of audits. The task of ensuring supports future economic decision-making by securing the information base required for decisions.

In 2010 the National Audit Office developed audits of the fiscal policy information base and effectiveness into a separate audit product and began to bring legality and regularity audits, which had previously been included in both performance audits and financial audits, together under the Financial Audit unit. The point of departure in the development of legality audits is to arrange legality audits according to the new ISSAI standards as a clearly profiled audit product with

its own reporting. Legality audits will focus particularly on legality risks and good governance risks linked to government aid and government support systems and the state's new group services and group steering. The year under review saw the launch of the first separate legality audits, with relevant reporting due to take place in spring 2011. The ISSAI legality audit standards were adopted at the INCOSAI congress in South Africa in autumn 2010. The effectiveness perspective of performance audits is also further strengthened by the National Audit Office.

The productisation of audit activities aims to improve the profiling, effectiveness and performance of audit activities. This also supports the National Audit Office's communications and improves the effectiveness of audits.

1.1.1 The National Audit Office's impact on supporting Parliament's budgetary and legislative power

The National Audit Office's audit activities are targeted on the basis of risks posed to central government finances and financial management. In 2010 the National Audit Office prepared the second risk analysis of central government finances and the national economy to steer audit planning and analyses of risks and the operating environment. The planning of the National Audit Office's activities is based on an assessment of strategic risks concerning the economy and central government finances and their operating environment, the state budget economy, ministries' administrative sectors and significant cross-sectoral issues as well as the National Audit Office's audit topics, according to risk analyses.

On the basis of reports issued by the Parliamentary Audit Committee, the National Audit Office monitors the implementation of 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 National

Audit Office reports on this under its annual report to Parliament on its activities. Positions related to audits including those of information society projects, the state's cash management and tax subsidies have had a major impact towards development achieved in these matters.

The matters that receive attention in the Audit Committee's reports are based mainly on key findings and conclusions presented to Parliament in the National Audit Office's reports. Parliament's positions concern the most significant matters in which achieving changes has been slow. Consequently matters are also followed over a longer period. Parliament has issued two to four positions a year that have required the Government to report on a matter.

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 helps increase the preventive and accountability impact of audit activities.

Performance Audit monitors the effects of positions included in audit reports, while the effects of individual performance audits are evaluated in follow-ups. These investigate the implementation of positions and recommendations to administration provided in the audit context.

In 2010 the National Audit Office completed nine follow-up reports, which evaluated the implementation of a total of 31 recommendations made by the National Audit Office. The share of recommendations that had been implemented in full or almost in full remained at the previous year's level, with the number of recommendations implemented in 2009 and 2010 having been clearly higher than earlier.

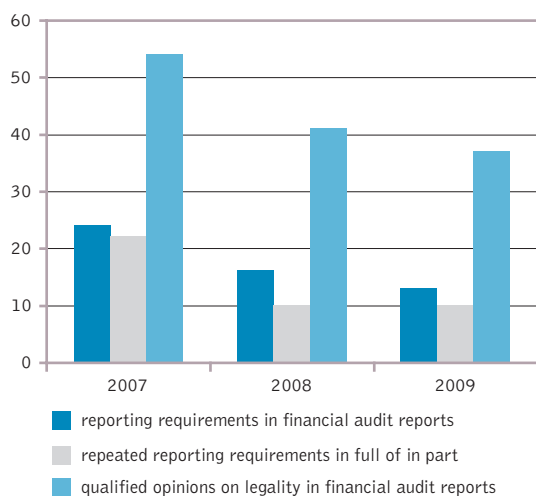


Figure 1 Reporting requirements and qualified opinions on legality based on financial audits

On the basis of follow-up reports, 42% of the recommendations had been implemented in full or almost in full, 29% to some extent and 29% poorly or not at all.

Reporting requirements and qualified opinions on legality based on financial audits are monitored by Financial Audit.

1.1.3 The National Audit Office's impact on citizens' confidence in the proper monitoring of central government finances

Citizens' confidence in the proper monitoring of central government finances is based on high-quality, objective and consistent auditing and expert work as well as communications concerning the performance of official tasks. The latest image study to evaluate the impacts of the National Audit Office's activities on citizens' confidence in the proper monitoring of central government finances was conducted by the National Audit Office in 2008. According to the study, only one in five respondents reported being aware of the National Audit Office's activities. Those citizens who were familiar with the National Audit Office's activities had neutral images of the National Audit Office.

The National Audit Office's communications and public activities take place in compliance with the INTOSAI principles concerning reporting and publicity and the Act on the Openness of Government Activities (621/1999). The National Audit Office seeks to operate in the public domain in a manner that is as reliable and objective as possible, ensuring that there is a focus in its communications on the objective, clear and fact-based communication of audit findings. The National Audit Office's communication and publication functions were transferred under Executive Management Support in conjunction with a programme to improve the efficiency and stability of its own operations. This lays a further emphasis on the importance of the National Audit Office's communications and public activities.

1.1.4 The National Audit Office's impact on international development in the audit field and the international cooperation environment

In 2010 the National Audit Office targeted its international cooperation focuses on audits required by fiscal policy, the financial and economic crisis and its management as well as audits of environmental issues. The National Audit Office engaged in cooperation with other national audit offices required by the financial and economic crisis as the chair of one of the subgroups of the INTOSAI Task Force on the Global Financial Crisis and an active participant in the INTOSAI Working Group on Key National Indicators and the INTOSAI Working Group on Public Debt. The National Audit Office also co-chaired the Fiscal Policy Audit Network of the Contact Committee of the Heads of the Supreme Audit Institutions of the European Union with the Swedish National Audit Office. Cooperation in the field of international audits of environmental issues takes place through active participation in the INTOSAI

Working Group on Environmental Auditing.

The National Audit Office's international cooperation is targeted in a way that supports its work in issues regarding strategic risks or otherwise draws attention to national dimensions of international phenomena and risks. Therefore the National Audit Office has not been involved in the development of the activities of the supreme audit institutions of other countries undergoing active development under INTOSAI.

Standardisation work concerning audits of central government finances takes place in international cooperation. The National Audit Office takes the international ISSAI standards into consideration when developing its own guidelines and quality management. In 2010 the National Audit Office produced audit manuals concerning legality and regularity audits in accordance with ISSAI standards 4000–4999. Guidelines on performance audits were also updated during the year.

1.2 Outputs and quality management

1.2.1 Number of performances and achieved public goods

On the basis of section 6 of the Act on the National Audit Office (676/2000), the National Audit Office submits two reports to Parliament each year. These are based on the National Audit Office's financial audit, legality and regularity audit and performance audit as well as the fiscal policy audit in which these types of audit are combined.

A separate report to Parliament on the audit of the final central government accounts for 2009 and the Report on the Final Central Government Accounts (R 13/2010 vp) was submitted to Parliament on 18 May 2010. This separate report provided Parliament with a report on the audit of the final central government accounts for the 2009 fiscal year and with the National Audit Office's conclusions regarding the social impact information

of the Report on the Final Central Government Accounts. The separate report also covered the assessment of compliance with the central government spending limits, the central government spending limits procedure and fiscal policy reporting.

The National Audit Office's annual report on its own activities (R 20/2010 vp) was submitted to Parliament on 14 September 2010. The report presented the conclusions drawn on the basis of the results of the National Audit Office's audit and expert activities regarding the status of the state's financial management and administration and summaries of audit findings that are the most important from the parliamentary perspective. The annual report also presents observations regarding the implementation of positions put forward by Parliament on the basis of the Audit Committee's reports.

The year 2010 saw the completion of a separate report submitted to Parliament on 11 January 2011 (R 21/2010 vp) on the findings of an external evaluation of the functioning and effectiveness of the central government spending limits procedure as a fiscal policy management tool that covered the entire electoral term and was conducted in accordance with OECD recommendations.

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 Parliament a report on its performance of this duty for every election.

In 2010 the National Audit Office submitted a report to Parliament on election funding supervision regarding the 2009 Loviisa municipal election (R 16/2010 vp) and the 2009 municipal re-elections in Karkkila, Kauniainen and Vihti (R 12/2010 vp) as well as on the 2009 European Parliament election (R 1/2010 vp).

In accordance with the National Audit Office's performance objectives document, in 2010 Financial Audit reported on the audit of the final central government accounts for 2009 and the Report on the Final Cen-

tral Government Accounts as well as issued financial audit reports for 118 accounting agencies, off-budget funds or agencies under the performance management of a ministry.

Performance Audit completed 21 audits in 2010. These resulted in 15 audit reports, while one audit was reported upon as part of the National Audit Office's separate report and one as a study. Four audits ended in a letter. The number of follow-up reports prepared by Performance Audit during the year under review totalled nine. The target of 20 completed audit reports and 18 follow-up reports was not reached. This was partly due to the human resources available for the work falling 5% under the planned level and the postponement of follow-ups to the coming years due to development projects underway in the areas in question.

In 2010 the National Audit Office received 20 reports from state authorities concerning abuses of state funds or assets (20 in 2009).

State agencies also reported six cases involving suspected abuses by recipients of government aid (5 in 2009). The National Audit Office also received copies of reports on the monitoring of aid from agencies administering EU aid.

The National Audit Office received 48 complaints from private persons and organisations regarding the financial management of the state (65 in 2009) and addressed 57 complaints during the year (63 in 2009 and 43 in 2008).

In 2010 the National Audit Office also prepared for the performance of its duties prescribed in the Act on Political Parties (10/1969, amended under 683/2010). Under the Act on Political Parties, the National Audit Office issued three orders regarding the submission of information required under the Act to the National Audit Office and regarding the content of disclosures. The orders were also supplemented by two separate instructions. The National Audit Office also adopted the guidelines and forms for election disclosures for the 2011 parliamentary elections during 2010.

1.2.2 Delivery and the quality of performances and public goods

The National Audit Office's quality policy is presented in the final report of the quality management working group. The quality policy draws attention to the particularly important role played by quality in the National Audit Office's activities, which results from its special status as the supreme auditor of central government finances. This results in a commitment by the National Audit Office as described in the quality policy to continuous development of its activities and to transparency in its functions. The National Audit Office's guidelines are based on international standards of supreme audit institutions as well as other generally accepted audit and evaluation standards.

Guidelines for quality assurance and quality checks in the National Audit Office's audit activities are provided in financial audit and performance audit manuals. Audit units are responsible for quality assurance of audit work. This takes place on the basis of internal quality checks of audit activity conducted by audit units to ensure the National Audit Office's audit reporting is based on audit work documented and performed as instructed.

The quality management objective for Financial Audit is to conduct all financial audits according to the requirements specified in the audit manual. 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 as cross-checks where heads of audit group were given the task of conducting quality checks of audits conducted in other audit groups.

The timetable objective for financial audit reports was to complete financial audits for ministries (12) by 14 May 2010 (by 15 May 2009 for 2008), for accounting agencies besides ministries and other agencies (106) by 7 May 2010 (by 8 May 2009 for 2008) and for the final central government accounts by 17 May 2010 (by 29 May 2009 for 2008).

Financial audit reports were completed on schedule. The level of achievement of timetable objectives can be considered very good.

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

The Performance Audit unit assesses compliance of completed audits with the requirements set in the audit manual. These assessments are conducted by group heads who did not participate in the audit process in question. Internal assessments have detected greatest room for improvement in the presentation of audit findings, particularly the focusing of attention on financially significant matters.

The objective set for the operational efficiency of performance audits is to complete audit reports within 18 months from the commencement date. This is to ensure audit findings are current and therefore also effective. In 2010 a total of 7 of the 15 completed audits were completed by the deadline. Another four audits ended in a letter. Although the timetable objective 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.

In addition to the National Audit Office's internal quality assurance activity, the National Audit Office has decided to commission an external peer evaluation and appoint a separate external expert body, the quality board, whose task is to evaluate the National Audit Office's quality system during the strategy period. Preparations for the external peer evaluation began in 2010.

The year 2010 saw an IT Audit Self Assessment supported by the EUROSAI IT Working Group.

The National Audit Office also participated in an external peer review conducted on the Office of the Auditor General of Norway in cooperation with the European Court of Auditors (ECA) and the National Audit Office of Austria.

1.2.3 Functioning of the National Audit Office's quality system

The National Audit Office's units are responsible for the quality of their activities and maintain quality systems as appropriate for their activities. Their quality systems are based on up-to-date audit manuals and operational guidelines, guidance and control to ensure quality during the audit process as well as ex post assessments. The quality system helps 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 work through its office-wide quality and operational guidelines, support for monitoring and implementation of international audit-sector standards and a permanent working group coordinating the units' quality work.

Development of quality management

During the year under review the National Audit Office issued general guidelines concerning the quality system for audit activities. The preparation of general guidelines for quality management for expert activity was also underway. The year also saw the launch of a project to ensure the National Audit Office's audit manuals form a consistent and clear whole related to the ISSAI standard framework.

The Financial Audit unit continued to pay particular attention to established document practices to further improve quality management.

Performance Audit completed a manual reform during the year. The unit also launched the preparation of lower-level instructions, with those produced and adopted during the year under review including separate instructions for steering system audits. A comprehensive training scheme concerning

the introduction of new manuals and instructions was implemented as part of the quality work.

Performance Audit's audit process was also developed during the year. A key objective was, as a rule, to perform future audits in cooperation between several auditors to improve the management of quality and personnel risks.

Quality assurance

Financial Audit's quality assurance is built into every financial audit process. The financial audit process and its quality assurance points are described in the Financial Audit unit's audit manual, which was formulated on the basis of the ISSAI standards adopted by INTOSAI. Financial Audit's quality control points have also been compiled under a separate guideline document.

The financial audit manual is based on the ISSAI standards, according to which auditors' work is monitored at all levels of processing and in every stage regardless of the auditor's qualifications. This monitoring covers both factual issues and the use of audit methods.

Performance Audit's quality work is based on audits being conducted in accordance with the manuals and guidelines issued regarding performance audits and the lower-level instructions supplementing these. Quality assurance in compliance with Performance Audit's manuals and guidelines corresponds in all respects with the requirements set by the ISSAI standards and best practices concerning their application.

Performance Audit's quality assurance covers the entire audit process. Quality assurance measures have been integrated into the audit process stage by stage.

Quality checks

In 2010 Financial Audit conducted 21 quality checks as planned. These covered financial or system audits of the audit topics of 21 different auditors. Each of the seven heads of audit group conducted three quality checks.

Those checked were selected randomly among those auditors who had not been subjected to quality checks in 2009. The quality checks were also targeted in a manner ensuring they covered all of the Financial Audit's statement areas. All quality checks were documented using electronic forms.

As part of its internal quality checks, Performance Audit performed a quality check on all of its completed audit reports during the year under review. The evaluations were carried out by heads of audit group not participating in the audit process under evaluation.

Evaluations took place on the basis of an evaluation form, with the issues evaluated grouped in accordance with the standard audit report structure and evaluation covering the elements determined on the basis of the quality requirements specified in the Performance Audit unit's guidelines.

Assessment of the sufficiency of quality risk management tools

The management of quality risks involved in the audit units' activities is based on audit process standardisation, up-to-date manuals and guidelines and expert guidance and control. In addition to this, units such as Financial Audit have been able to increase risk management efficiency through the development of document practices and the introduction of an electronic audit process tool.

In audit activity the personnel risk indirectly also poses a quality risk. In this respect quality risk management is about 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 promotion of uniform procedures and practices, increased project management efficiency and, particularly in Performance Audit, through the promotion of a teamwork-based operating culture.

It can be said on the basis of the above that the audit units have had sufficient tools for quality risk management.

1.3 Operational efficiency

The National Audit Office implemented an efficiency and stability programme in conjunction with the preparation of the Audit Plan in accordance with section 3 of the Act on the National Audit Office (676/2000). In this context the amount of the National Audit Office's human resources forming the basis of its operational planning was adapted in response to the tighter budget situation, with the number of person-years to decrease until 2014 under the plan formulated. In this context internal reorganisations and prioritisations of functions and audits have taken place to ensure audit activities can be targeted at the strategically most important risks from the perspective of central government finances and the state's financial management. Prioritisation of functions has required particular attention to the allocation of effective working time to external performances and employee wellbeing.

1.3.1 Operational productivity

The number of the National Audit Office's audit and expert performances in 2010 as a whole was on the same level as in previ-

ous years. Assessments of variation in the number of audit and expert performances must, however, take into consideration the fact that audit and expert work in part takes place during different years than reporting on and publication of the work. Unlike in previous years, in 2010 part of the National Audit Office's resources were allocated to the duty to supervise compliance with the election funding disclosure obligation and the supervision duty laid down for the National Audit Office under the Act on Political Parties (683/2010).

1.3.2 Operational economy

The National Audit Office's costs in 2010 totalled €14.98 million (€13.75 million in 2009, €12.72 million in 2008). Personnel costs excluding side costs in 2010 amounted to €9.97 million (€8.81 million in 2009, €8.15 million in 2008). Figure 6 illustrates the development seen in the National Audit Office's costs.

The National Audit Office's costs increased by 8.9% in 2010 compared with the year before. A significant part of this increase is due to the introduction of a new pay system according to Parliament's collective agreement, the new task of election funding supervision as well as the comple-

Productivity indicators

Table 1

Effective working time by type of performance (working days)			
	2008	2009	2010
Financial Audit	8 722	8 748	8 451
Legality audits	0	0	511
Performance Audit	7 415	6 618	6 802
Other audits	113	55	82
Fiscal policy audits	0	0	501
Reports to Parliament	222	235	263
Supervision of election and party funding	0	0	554
Expert activities	841	1 021	1 667
Total external performances	17 313	16 676	18 829
Total indirect working time, holidays and other leaves of absence	20 031	20 278	18 527
Total working time	37 344	36 955	37 357

tion of projects such as the electronic desktop launched in preceding years. Proportionally, the strongest growth was seen in personnel costs. Indirect costs of party and election funding supervision totalled €323,000 in 2010 and consisted of pay costs and purchases of services.

The National Audit Office has set operational economy objectives for each audit unit. A special economic efficiency target adopted for 2010 was to ensure projects that increase the cost per performance day are such that they increase the economic efficiency and productivity of operations in the coming years. Costs per Financial Audit performance day decreased on the year before by 0.3% and those of Performance Audit performance day by 5.7%. There was a 4.1% decrease in the cost of performance day for the National Audit Office as a whole.

Financial Audit allocates its audit resources

to audit projects as person-years. This allocation of human resources is reported in euros on the basis of average costs per audit day. This is justified because it is the best way to take into consideration the expertise required in the various audit projects and the cost of orienting audit staff to the task.

The economic efficiency objective for Performance Audit is to complete 80% of audits within planned costs. Costs are evaluated in the planning stage in working days and other direct costs.

Of the audit projects that were completed during the year under review, 65% (11 audit projects out of 17) were completed within planned costs. Cost overruns were significant in six audit projects. Although the economic efficiency objective was not reached, development in this respect was positive as previously only one-half of the projects had been completed within planned costs.

Operational economy indicators

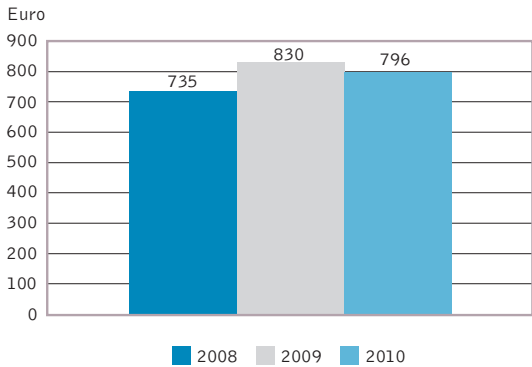


Figure 2 Costs per performance day

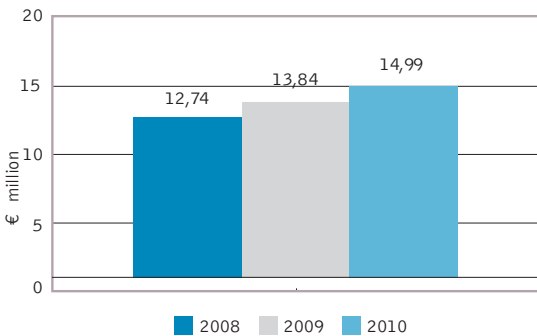


Figure 3 Development of total costs

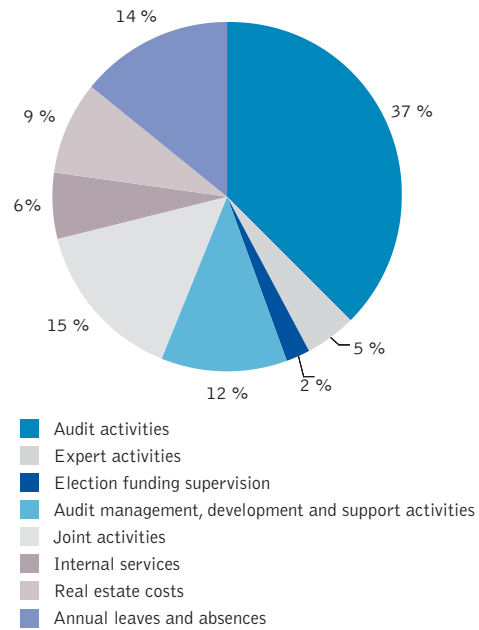


Figure 4 Breakdown of total costs by type of performance

1.4 Management and development of human resources

A description of the objective level of the National Audit Office's expertise required to perform its constitutional task can be found in the staff vision and staff policy section of the National Audit Office's strategy.

The National Audit Office's staff policy is based on the following areas:

- the ethics of the National Audit Office and its staff;
- a motivating and fair pay system;
- a motivating management, expert and professional career path;
- an expertise management and development system whose areas of expertise support the achievement of the National Audit Office's basic task and strategy;
- a clear and efficient management system;
- good workflow management;
- a good work community;
- occupational health and
- professional identity and professional pride.

Key objectives for developing human resources that received attention in the performance objective document for 2010 were investments in the development of expertise management, expertise and managerial work, workflow management, efficient career path development and wellbeing at work.

During the year under review the National Audit Office introduced telecommuting on the basis of a trial launched in 2009 and the positive experiences gained. The telecommuting option aims to improve the efficiency of the National Audit Office's operations and tasks and diversify opportunities for the organisation of work.

A total of 35 management staff, supervisors and other persons selected on the basis of applications were provided with an extensive management training scheme consist-

ing of 27 contact days, studies of management literature and participants' own project presentations.

For a motivating management and expert career path the National Audit Office's Working Order has been supplemented with job titles and revised qualification requirements for these posts. Career development has also been supported by seeking leaders and members for projects conducted by the National Audit Office using a notification procedure.

Placing more emphasis on effectiveness in Performance Audit and developing the audit of the legality of administrative activities and functions as a separate form of audit supports experts' possibilities to specialise and strengthens the development of expertise.

The management and development of expertise have been continued on the basis of expertise project work and proposals as well as the results and experiences of a survey of expertise that was conducted in 2008.

In the Working Order the development of the general foundations of expertise is focused under Executive Management Support and the production of relevant services under the Administration Unit. Expertise management has been made part of the National Audit Office's training plan, which forms the framework for arranging training in key areas of expertise. The office-wide expertise management and development project is still underway. The National Audit Office has supported experts' efforts to participate in international tasks that support expertise in the National Audit Office's special areas of expertise.

An HR information system has been procured for expertise management. During the year under review the system was used to conduct personal development discussions and performance appraisals. In the future the system will also be used to conduct competency mapping and personal development plans.

The National Audit Office has strived for good workflow management by clearly in-

dicating the resources available at all levels of planning and timetables for carrying out tasks and projects. Through improved anticipation of tasks and division of labour and with the help of new tools the National Audit Office has supported performance and occupational health. Also launched in 2010 was training to make project work more efficient and uniform.

The National Audit Office's work community is supported with open and clear information that is provided to the entire staff and by arranging joint occasions and other activities for staff. Regular Auditor General's staff info events and other joint information and other events were arranged regularly during the year under review.

Human resource management and development indicators

Number of personnel, personnel structure and personnel costs

In recent years the number of persons employed by the National Audit Office has remained practically unchanged. The number of employees is at the level of 2006, with the number of men down 2.4% on the year before while the number of women has remained unchanged.

Table 2

Number of employees and person-years				
	2008	2009	2010	Annual change %
Number of employees 31.12.	151	150	148	-1,3
Women	63	66	66	0
Men	88	84	82	-2,4
Person-years	147	147	148	0,7

The age structure shows an increase in the share of both men and women aged 35–44. The average age of women was down 2.9% on the year before. At the end of the year employees at least 45 years of age accounted for 58.8% of personnel, which is 1.2 percentage points lower than at the end of 2009. The average retirement age was 63.7 years.

Table 3

Average age of women and men 31.12.				
	2008	2009	2010	Annual change %
All personnel	47,3	47,4	47,2	-0,3
Women	45,9	46,3	45,0	-2,9
Men	48,3	48,3	49,1	1,7

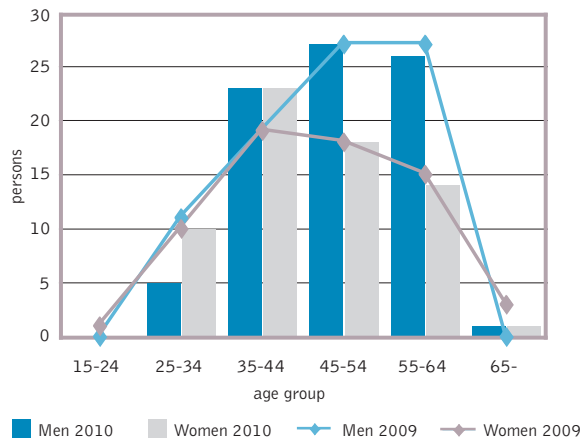


Figure 5 Personnel's age structure at 31 December

The education level of personnel is high, with the level among women up 3.3% on the year before. At year-end 79% of personnel had a master's degree and 13.5% had a licentiate or doctor's degree.

Table 4

Educational index 31.12.				
	2008	2009	2010	Annual change %
All personnel	6,7	6,6	6,7	2,0
Women	6,5	6,4	6,6	3,3
Men	6,8	6,8	6,8	0,0

Most employees have permanent posts. The share of temporary posts increased slightly on the year before.

Table 5

Permanent and temporary personnel 31.12.				
	2008	2009	2010	Annual change %
Permanent	142	143	139	-2,8
Women	58	62	58	-6,5
Miehet	84	81	81	0,0
Temporary	9	7	9	28,6
Women	5	4	8	100,0
Men	4	3	1	-66,7

The share of part-time employees increased by 133.3% on the year before. This was partly due to an increase in part-time childcare leaves.

Table 6

Full and part-time personnel 31.12.				
	2008	2009	2010	Annual change %
Full-time	148	147	141	-4,1
Part-time	3	3	7	133,3

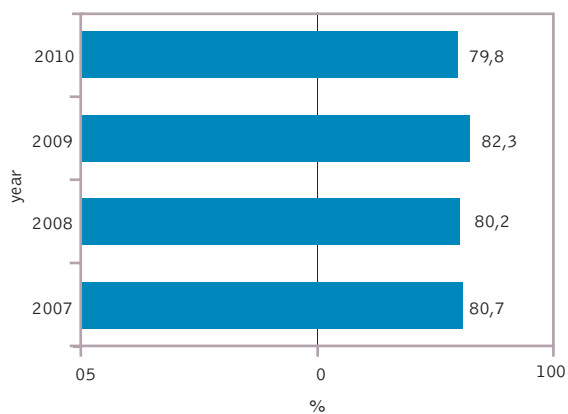


Figure 6 Work done during regular working hours as a share of regular annual working hours (%)

Table 7

Labour costs				
	2008	2009	2010	Annual change %
Total labour costs €/year	10 370 294	11 098 011	12 088 520	8,9 %
Pay for actual working hours as % of total pay	61,3 %	77,9 %	76,3 %	-2,0 %
Indirect labour costs	4 016 703	4 131 101	4 617 224	11,8 %
Share of indirect labour costs of pay for actual working hours	63,2 %	59,3 %	61,8 %	4,2 %

Source: Tahti system.

Occupational health

Incoming turnover of personnel in 2010 was almost at the same level as in 2008 while having been clearly lower in 2009. Sick leave rate decreased by 26.1% per person-year. Net costs of occupational health care services increased by 23.4%.

Table 8

Personnel turnover and other occupational health				
	2008	2009	2010	Annual change %
Departure turnover (% of personnel)	4,7 %	7,3 %	0,7 %	-90,4 %
Incoming turnover (% of personnel)	9,4 %	4,0 %	7,4 %	85,0 %
Sick leaves (days/person-year)	9,7	9,9	7,3	-26,1 %
Net occupational health care costs (€/person-year)	429 €	432 €	496 €	14,8 %

Human resources development

Participation in training was up 9.8% per person-year. Training costs excluding pay costs and independent development of professional skills increased by 30% on the year before.

Table 9

Training and development				
	2008	2009	2010	Annual change %
Participation in training (€/person-year) ¹	1 159 €	870 €	1 131 €	30,0 %
Participation in training (working days/person-year) ¹	8,1	6,1	6,7	9,8 %

¹ 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

According to the final accounts for 2010, no changes took place in financing. The National Audit Office's operating costs were covered in item 21.40.01 and VAT expenses in item 21.40.29.

1.5.2 Compliance with the budget

The budget appropriated €13,377,000 for the National Audit Office's operating costs in 2010. This was 3.3% down on 2009. A total of €1,447,000 was carried forward from the operating costs item to the following year. These funds carried forward amount to 47.5% of the previous year's amount carried forward. The amount corresponds to costs for around one month. The change in the size of the funds carried forward is due to a change in the operating cost item appropriation, the full implementation of Parliament's new pay system, the party and election funding supervision duty and the information system procured for the purpose as well as the implementation of certain other postponed ICT projects. The budget appropriated €560,000 for the National Audit Office's VAT expenses in 2010. This was exceeded by €35,720. Parliament's Office Commission granted permission to exceed the appropriation at the request of the National Audit Office.

1.5.3 Statement of income and expenses

The National Audit Office's operational expenses rose by 8.9% compared with 2009. Personnel expenses accounted for 77.6% of the National Audit Office's expenses in 2010. Personnel expenses rose by 13.3% as a result to the shift to Parliament's new pay system. This can be seen particularly in performance-based amounts, which increased around fivefold on the year before as a result of the introduction of individual pay components. In other respects the increase in pays and fees was 9.3%. The next largest expense items were purchases of services at 9.7% and rents at 8.9%. As regards other types, growth only took place in other expenses where the increase was mainly due to the implementation of ICT projects required for party and election funding supervision.

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 increased to €202,791.95 from the €141,599.96 seen the year before. The change was due to the fact that a larger amount of procurement of fixed assets, mainly ICT hardware and software, took place in 2010 than 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 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 is based on units' self-assessments supplemented by 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.

The year saw the implementation of organisational changes and the expansion of opportunities for telecommuting. These aim to support wellbeing at work and improve the capacities of horizontal functions. The National Audit Office programme for increased efficiency and stability launched in 2010 has changed the agency's operational planning, with planning now based on a decreasing number of employees. Coupled with resourcing for the new election and party funding supervision duties, this calls for particular attention to the internal allocation of resources and prioritisation of tasks in relation to the implementation of the National Audit Office's constitutional task.

Risk assessment and risk management documentation will be developed further in 2011. Key development areas comprise documented risk monitoring and the integration of risk management into the National Audit Office's planning process, the further development of audit manuals and guidelines and the monitoring of employee stress and strain levels and measures to support wellbeing at work.

Helsinki, 15 March 2011

Auditor General Tuomas Pöysti

Chief of Staff Marko Männikkö

1.7 Summary of observed abuses

There is nothing to report for the year.

2 Compliance with the budget

Main division, item, account number, name and type of appropriation	Accounts 2009	Budget 2010 appropriations		Accounts 2010	Comparison Budget - Accounts	Supplementary information concerning carried forward							
		Budget 2010 (incl. sup.) used in 2010	Budget 2010 appropriations carried forward to next year			Carried forward from previous years	Available for use in 2010	Use in 2010 (excl. cancellations)	Carried forward to next year				
21. Parliament													
21.40. National Audit Office	14 331 330,66	13 937 000,00	12 525 764,81	13 972 720,10		3 045 717,59	16 422 717,59	14 975 762,30	1 446 955,29				
21.40.01 National Audit Office's operating costs (2-year trans.)	13 826 000,00	13 377 000,00	11 930 044,71	13 377 000,00	0,00	3 045 717,59	16 422 717,59	14 975 762,30	1 446 955,29				
21.40.29 National Audit Office's VAT expenses (est.)	505 330,66	560 000,00	595 720,10	595 720,10	-35 720,10	0,00	0,00	0,00	0,00				
Total expenditure accounts	14 331 330,66	13 937 000,00	12 525 764,81	13 972 720,10		3 045 717,59	16 422 717,59	14 975 762,30	1 446 955,29				

3 Statement of income and expenses

	1.1.2010–31.12.2010		1.1.2009–31.12.2009	
Operational income				
Other operational income	<u>3 356,00</u>	3 356,00	<u>2 286,00</u>	2 286,00
Operational expenses				
Materials, supplies and goods:				
Purchases during the year	178 578,04		132 488,28	
Personnel expenses	12 112 533,83		10 789 049,54	
Rents	1 231 624,72		1 236 162,44	
Purchased services	1 550 580,66		1 352 035,58	
Other expenses	268 063,10		269 537,52	
Depreciation	93 739,08	<u>15 435 119,43</u>	131 338,69	<u>13 910 612,05</u>
Deficit III		-15 431 763,43		-13 908 326,05
Income from taxes and compulsory charges				
VAT paid	<u>-595 720,10</u>	<u>-595 720,10</u>	<u>-505 330,66</u>	<u>-505 330,66</u>
Deficit for the year		<u>-16 027 483,53</u>		<u>-14 413 656,71</u>

4 Balance sheet

	31.12.2010		31.12.2009	
Assets				
Fixed assets and other long-term investments				
Intangible assets				
Intangible rights	5 926,72		8 736,01	
Acquisitions in progress	<u>66 102,30</u>	72 029,02	<u>0,00</u>	8 736,01
Tangible assets				
Machinery and equipment	126 707,98		126 949,57	
Furnishings	<u>4 054,17</u>	<u>130 762,15</u>	<u>5 914,38</u>	<u>132 863,95</u>
Total fixed assets and other long-term investments		202 791,17		141 599,96
Inventories and financial assets				
Current receivables				
Other current receivables	<u>7 849,78</u>	<u>7 849,78</u>	<u>1 076,62</u>	<u>1 076,62</u>
Total inventories and financial assets		<u>7 849,78</u>		<u>1 076,62</u>
Total assets		<u>210 640,95</u>		<u>142 676,58</u>
Equity and liabilities				
Equity				
State's equity				
State's equity 1.1.1998	-819 653,02		-819 653,02	
Change in previous years	-1 124 124,46		-902 148,41	
Equity transfers	15 310 635,68		14 191 680,66	
Deficit for the year	<u>-16 027 483,53</u>	<u>-2 660 625,33</u>	<u>-14 413 656,71</u>	<u>-1 943 777,48</u>
Liabilities				
Current liabilities				
Accounts payable	312 984,07		101 174,17	
Inter-agency transfers	296 601,61		266 238,89	
Payable items	213 684,11		188 236,85	
Accrued expenses	<u>2 047 996,49</u>	<u>2 871 266,28</u>	<u>1 530 804,15</u>	<u>2 086 454,06</u>
Total liabilities		<u>2 871 266,28</u>		<u>2 086 454,06</u>
Total equity and liabilities		<u>210 640,95</u>		<u>142 676,58</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 economic life of assets.

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

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

Under operational 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 and other compulsory charges which are not taxes.

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

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 (plus supplementary budgets)	Overspending	Overspending %
21. Parliament	560 000,00	35 720,10	6
21.40.29 VAT expenses	560 000,00	35 720,10	6
Main title total	560 000,00	35 720,10	6

Note 4 Cancelled transferred funds

The National Audit Office does not have cancelled transferred funds.

Note 5 Itemisation of personnel expenses

	2010	2009
Personnel expenses	9 978 286,85	8 807 275,51
Salaries and fees	9 548 014,40	8 735 524,80
Change in holiday pay liabilities	430 272,45	71 750,71
Side costs	2 134 246,98	1 981 774,03
Pension expenses	1 806 607,51	1 679 607,69
Other personnel expenses	327 639,47	302 166,34
Total	12 112 533,83	10 789 049,54
Management salaries and fees ¹⁾ j incl.	578 220,32	669 671,23
- performance-based items	0,00	0,00
Fringe benefits	160 528,23	151 991,67
Management	7 231,07	9 045,00
Other personnel	153 297,16	142 946,67

1) Does not include side costs

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 %
Intangible assets				
112 Intangible rights				
1120 Purchased computer software	straight-line	3	33	0
114 Other long-term expenditure				
1140 Customised computer software	straight-line	3	33	0
Tangible assets				
125 - 126 Machinery and equipment				
1250 Cars 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	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 rights	Other long-term expenditure	Total
Acquisition cost 1.1.2010	301 618,53	36 240,81	337 859,34
Increases	3 107,53		3 107,53
Decreases	28 314,78	14 016,48	
Acquisition cost 31.12.2010	276 411,28	22 224,33	298 635,61
Accumulated depreciation 1.1.2010	292 882,52	36 240,81	329 123,33
Accumulated depreciation difference	28 314,78	14 016,48	42 331,26
Depreciation according to plan during the year	5 916,82		5 916,82
Depreciation not according to plan during the year			
Accumulated depreciation 31.12.2010	270 484,56	22 224,33	292 708,89
Appreciation			
Book value 31.12.2010	5 926,72	0,00	5 926,72

Fixed assets	Tangible assets		
	Machinery and equipment	Furnishings	Total
Acquisition cost 1.1.2010	981 981,24	79 598,62	1 061 579,86
Increases	86 236,06		86 236,06
Decreases	131 658,62	1 744,00	133 402,62
Acquisition cost 31.12.2010	936 558,68	77 854,62	1 014 413,30
Accumulated depreciation 1.1.2010	855 031,67	73 684,24	928 715,91
Accumulated depreciation difference	131 143,02	1 744,00	132 887,02
Depreciation according to plan during the year	85 962,05	1 860,21	87 822,26
Depreciation not according to plan during the year			
Accumulated depreciation 31.12.2010	809 850,70	73 800,45	883 651,15
Appreciation			
Book value 31.12.2010	126 707,98	4 054,17	130 762,15

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, state guarantees or other commitments that were outstanding at the end of the year.

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 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 15 March 2011.

Auditor General Tuomas Pöysti

Director of Administration Mikko Koiranen

The Office's Management in 2010



Chief
Information Officer
Jaakko Hamunen

Assistant
Auditor General
Performance Audit
Vesa Jatkola

Chief of Staff (acting)
Marko Männikkö

Assistant Auditor
General Citizens'
Complaints and Quality
Management Affairs
Esa Tammelin

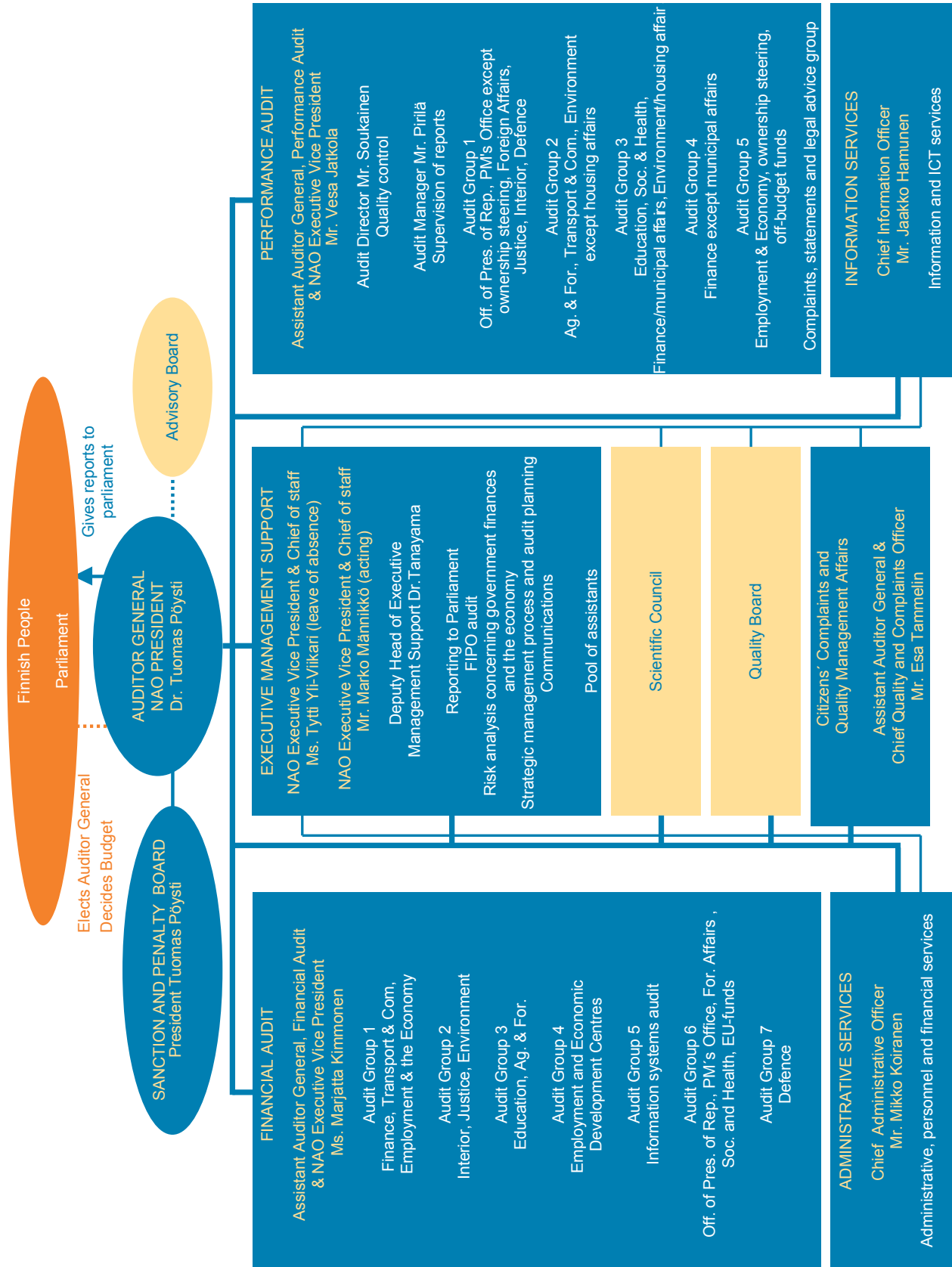
Chief Administrative Officer
Mikko Koironen

Assistant Auditor General,
Financial Audit
Marjatta Kimmonen

Auditor General
Tuomas Pöysti

Chief of Staff
(leave of absence)
Tytti Yli-Viikari

Appendix 1 • Organisation and division of tasks



Appendix 2 • Completed performances in 2010

National Audit Office's reports to Parliament

National Audit Office's report to Parliament on its activities for fiscal year 2009, R 20/2010 vp

National Audit Office's separate report to Parliament on the audit of the final central government accounts for 2009 and the Report on the Final Central Government Accounts, R 13/2010 vp

National Audit Office's report to Parliament on the monitoring of election financing in the 2009 European Parliament election, R 1/2010 vp

National Audit Office's report to Parliament on the monitoring of election financing in the 2009 European Parliament election, R 12/2010 vp

National Audit Office's report to Parliament on the monitoring of election financing in the 2009 Loviisa municipal election, R 16/2010 vp

Financial Audit

Office of the President of the Republic

Office of the President of the Republic 114/53/09

Prime Minister's Office

Prime Minister's Office 115/53/09

Ministry for Foreign Affairs' administrative sector

Ministry for Foreign Affairs 116/53/09

Ministry of Justice's administrative sector

Ministry of Justice 117/53/09
Criminal Sanctions Agency 118/53/09

Ministry of the Interior's administrative sector

Ministry of the Interior 119/53/09
ICT Agency (HALTIK) 120/53/09
Helsinki Police Department 121/53/09

Emergency Response Centre

Administration 122/53/09
National Bureau of Investigation 123/53/09
National Traffic Police 124/53/09
Finnish Immigration Service 125/53/09
Emergency Services College 126/53/09
Police College 127/53/09
Police Technical Centre 128/53/09
Border Guard 129/53/09
Shared Service Centre of the Ministry of the Interior 130/53/09
Finnish Security Intelligence Service (formerly Finnish Security Police) 131/53/09

Ministry of Defence's administrative sector

Ministry of Defence 132/53/09
Shared Service Centre of Defence Administration 133/53/09
Construction Establishment of Defence Administration 134/53/09
Defence Forces 135/53/09

Ministry of Finance's administrative sector

Ministry of Finance 136/53/09
State Provincial Office of Åland 137/53/09
State Provincial Office of Southern Finland 138/53/09
State Provincial Office of Eastern Finland 139/53/09
State Provincial Office of Lapland 140/53/09
State Provincial Office of Western Finland 141/53/09
State Provincial Office of Oulu 142/53/09
Statistics Finland 143/53/09
National Board of Customs 144/53/09
State Treasury 145/53/09
Government Institute for Economic Research 146/53/09
Tax Administration 147/53/09
Population Register Centre 148/53/09

Ministry of Education's administrative sector

Ministry of Education 149/53/09
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