

Abuses in state administration

According to section 16 of the Act on the National Audit Office, a state authority, agency, business enterprise or state fund must immediately report any abuse of funds or property which it manages or for which it is responsible to the National Audit Office, regardless of confidentiality regulations. According to section 17 of the same Act, a state authority, agency, business enterprise or state fund must report any offence involving funds or property which it manages or for which it is responsible, unless the offence can be regarded as negligible.

The purpose of the audit was to investigate the reporting of abuses in state administration in practice. The main question was: Are all abuses reported? The audit also attempted to evaluate what economic impacts can result from the failure to report abuses.

According to audit findings, all suspected abuses are not reported to the National Audit Office as required by law. Failures were observed in the filing of reports to the National Audit Office and in the inclusion of composite information on abuses in annual reports. Financial reporting does not always correspond to the number and content of reports of abuses received by the National Audit Office.

On the basis of the audit, one reason for failing to report an abuse is that the party designated for this purpose in financial regulations is not informed of suspicions of abuse in an agency. In this case the flow of information within the agency does not work. Agencies should be aware that shortcomings in the flow of information are generally the biggest obstacle to bringing abuses to light.

Another problem is that provisions regarding the obligation to report abuses have been included in the Act on the National Audit Office. Budget legislation is currently being developed and in the opinion of the National Audit Office, provisions regarding the obligation to report abuses should be included in legislation pertaining

to the budget, for example by referring to the Act on the National Audit Office.

In investigating abuses, procedural time limits are also a problem. It is important to uncover abuses at an early stage so that measures can be taken before damage assumes larger proportions. This requires that personnel at ministries, agencies and units remain vigilant and can voice suspicions without fear.

It is difficult to determine the economic impacts of suspected abuses, because reports do not always indicate the amount of damage. In some reports this was clearly mentioned. In other cases abuses have caused indirect damage and there has been no way to calculate the direct damage to the state. There are no annual statistics on total damage resulting from abuses, for example. The amount of damage resulting from individual abuses varies from small sums to thousand of euros. Reports of abuses vary in number and content from year to year.