

The budgeting of authorisations for transport infrastructure projects and the monitoring of authorisations

As part of a compliance audit on the budgeting of authorisations and authorisation procedures covering the entire budget, the National Audit Office conducted an audit of the budgeting of authorisations for transport infrastructure projects and the monitoring of authorisations.

The audit focused on budgeting procedures concerning authorisations for transport infrastructure projects administered by the Finnish Transport Agency, the monitoring of authorisations, control measures for authorisation recording procedures and the correctness and adequacy of the information presented in the Finnish Transport Agency's final accounts.

The audit was conducted in connection with the National Audit Office's financial audit of the Finnish Transport Agency and partly as a follow-up to past audit findings.

The National Audit Office issues as its statement that in the budgeting, use and monitoring of authorisations for transport infrastructure projects and in their presentation in the final accounts, key provisions and regulations concerning them have not been complied with. The authorisation procedure is precisely regulated at the constitutional level. Its regular application ensures the exercise of Parliament's budgetary power so that Parliament maintains real decision-making power over central government expenditure. If the authorisation procedure is applied in a way that is contrary to provisions, administration does not have real authority granted by Parliament to make agreements and commitments covering future years.

In budgeting transport infrastructure projects challenges are presented by projects' different financing solutions, the broad scope and long duration of projects, and indexing. The budgeting of all projects does not correspond to the state's real commitment or costs incurred by the state. Annual estimates of costs should be budgeted

according to the best up-to-date evaluation. The commentary to budget proposals should provide a true and fair view of the application of state funds and true and fair information for Parliament's and the Government's decision-making. The presentation of the use of an authorisation and resulting costs in the budget should be clarified.

The Finnish Transport Agency has made agreements and orders using authorisations that have not been at its disposal when an order or agreement was made. According to section 10 of the State Budget Act an authorisation may be used only during the financial year covered by the budget in which it is included. Changes can also be made in authorisation monitoring systems after the final accounts have been approved. The audit found that in several projects information has been changed after the approval of the final accounts.

All documents concerning the use of an authorisation have not been included in authorisation monitoring. The use of an authorisation has not always been documented adequately. All documents have not been properly updated or signed. In several cases orders were entered in authorisation accounting for a different year than should have been the case according to the order document.

The budget includes appropriations and estimates of revenues. Since the share of the Ring I Turunväylä - Vallikallio project financed by the City of Espoo does not result in costs or revenues for the state, an appropriation or estimate of revenues cannot be included in the state budget for it. The 2012 budget and bookkeeping should be corrected to correspond to real budget revenues and expenditure. In future it is necessary to ensure that the budget is based on real situations regardless of how projects are financed.