

Conclusions and recommendations of the National Audit Office

Related party relationships and transactions in the central government

The audit was targeted at related party relationships and transactions in the central government. The purpose of the audit was to provide information on the central government's related party relationships and to verify that transactions with related parties have been carried out lawfully and under normal terms and conditions and that the internal control procedures related to them are adequate.

From the perspective of the principles of good governance, transparency and legality, it is important that transactions with related parties are legal and that the internal control procedures related to them are adequate and appropriate.

No non-compliant transactions were detected between the central government and persons or entities related to it

Senior public officials had connections with 477 different entities. About one quarter of these had had transactions with the central government. The audit found no shortcomings in the audited related party transactions between the central government and persons or entities related to it. From the perspective of good governance and transparency, it is recommended that a public official does not accept an invoice from an entity in which they hold a decision-making position.

Final central government accounts do not include related party reporting

The provisions on the content of final central government accounts or the final accounts of ministries, agencies and institutions acting as accounting offices do not include requirements for the presentation of related party relationships and transactions. Final accounts prepared by central government accounting offices in accordance with the current provisions do not make it possible to identify transparently whether the accounting office has had transactions with entities that could be considered to be its related parties.

Declarations of interests have been duly submitted by senior management

The audit examined the fulfilment of the obligation to submit a declaration of interests as well as the correctness of the information content with regard to

public information. The audit did not find any substantial shortcomings in the up-to-dateness of the declarations. The declarations must be updated to comply with the changed legal requirements.

Ministries have limited means to verify that the declarations of interests are up to date

The audit drew attention to the prerequisites for monitoring the up-to-dateness and correctness of declarations of interests. There are no detailed provisions on the monitoring of the declarations of interests. Therefore, the practices for ensuring that the information is up to date vary. The audit did not find any substantial shortcomings in the organisation of the declaration obligation and the monitoring of the declarations.

No recommendations were issued based on the audit.