State Audit Office's opinion on the accuracy of the annual report and the legality of the transactions of the Chancellery of the Riigikogu in the financial year 2005

Audit report No. OSI-2-6/06/33 of 30 May 2006

Introduction

A memorandum on the observations made during the audit, which have not been included in the audit report because the impact of the observations from the point of view of the accuracy of the annual report and the legality of the transactions is not important, has been submitted to the Director of the Chancellery of the Riigikogu. The audit report indicates the major shortcomings which have repeated or may lead to considerable mistakes in the annual accounts or legality of transactions.

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Bases of assessment

According to the State Budget Act, the State Audit Office is obligated to assess the accuracy of the annual reports and the legality of the transactions of constitutional institutions. To fulfil this obligation the State Audit Office audits institutions and persons.

The State Audit Office audited the annual report of the Chancellery of the Riigikogu for the financial year which ended on 31 December 2005 and the obligation of drawing up which arises from the Accounting Act and Regulation No. 105 of the Minister of Finance of 11 December 2003 'General Rules for State Accounting.'

The purpose of the audit is to assess the accuracy of the annual report 2005 and the legality of the transactions of the Chancellery of the Riigikogu. Upon assessment of the annual report of the financial year 2005 of the Chancellery, the State Audit Office assessed the compliance of the annual report with the accounting principles generally accepted in Estonia, the Accounting Act and respective regulations of the Minister of Finance.

Upon assessment the State Audit Office relied on the following criteria:

- the assets and liabilities existing on the given date;
- the assets and liabilities belong to the Chancellery of the Riigikogu;
- the transactions or events occurred during the given period;
- there are no unaccounted assets, liabilities, transactions, events or undisclosed figures;
- the assets and liabilities have been accounted in the right book value;
- the transactions or events have been accounted in the accurate amounts and the revenue or expenditure has been entered into the correct period;
- the figures have been disclosed, classified and described in compliance with the accounting principles generally accepted in Estonia;
- the numerical information given in the management report which arises from the annual accounts has been indicated in accurate amounts;
- the transactions or events are in compliance with the major relevant regulations in material respects.

Upon assessment of the legality of the economic transactions in the financial year the State Audit Office acted pursuant to the requirements established in the most important valid laws established with regard to the audited. The legislation which is of greater importance from the point of view of the Chancellery of the Riigikogu with regard to which the compliance in material respects was audited has been specified in the annex to the audit report.

The State Audit office carried out the audit in compliance with the INTOSAI audit standards. These standards require that the audit be planned and carried out in a manner which allows for deciding with sufficient confidence that the financial statements do not contain major errors or inaccuracies. During the audit the auditors examined at random the evidence which serves as the basis for the figures given in the annual accounts. The audit also included an analysis of the accounting principles and accounting assessments of the management used upon drawing up the accounts. The State Audit Office finds that the audit provides a sufficient basis for expressing an opinion on the accuracy of the institution's annual accounts and the legality of the economic transactions.

Upon gathering the audit information the accountants of the Chancellery of the Riigikogu and other public servants of the Chancellery were interviewed.

The audit team consisted of Audit Manager Krista Uuna and Auditors Anneli Narusk and Karin Rajapu.

Ines Metsalu
Chief Auditor
Audit Department I