Audit of the accuracy of the annual accounts 2005 and the legality of the transactions of the Ministry of Foreign Affairs for the purpose of assessment of the aggregate annual report 2005 of the state

Audit report No. OSI-2-6/06/40 of 16 June 2006

Summary

According to the State Budget Act, the National Audit Office must assess the state's aggregate annual report and the legality of transactions in 2005.

The National Audit Office conducted an audit titled 'Audit of the accuracy of the annual accounts 2005 and the legality of the transactions of the Ministry of Foreign Affairs for the purpose of assessment of the aggregate annual report 2005 of the state' for the purpose of assessing those balances of the annual accounts of the Ministry of Foreign Affairs which are of importance from the point of view of the state's aggregate annual report.

Transactions pertaining to cash at bank and in hand, fixed assets and revenue as well as administration and personnel costs were important from the point of view of the state's aggregate annual report. The National Audit Office audited all these transaction classes except for the fixed assets which were audited by the Rimess MRI OÜ audit firm and on whose assessment the National Audit Office is relying in this area. In addition to auditing the transactions that are important from the point of view of the annual report of the state the National Audit Office also audited the collection of state fees and the use of Schengen support funds in the Ministry of Foreign Affairs.

- **According to the National Audit Office, the economic transactions included in the sample had been made in compliance with the main legislation regulating them, except the comments given in the audit report regarding payment of the tax on fringe benefits and making investments out of the operating expenses.**

- **Leaving aside the impact of the comment given below, the National Audit Office finds that the balances of the audited transaction classes have been accounted accurately in material respects in the annual report of the Ministry of Foreign Affairs as of 31 December 2005.**

Rimess MRI OÜ made a comment regarding accounting the income earned from compensation by the government of the Republic of France of a registered immovable of the Republic of Estonia. The income earned had been accounted in the annual accounts 2005 under income from the sale of fixed assets in the amount of 37,433,500 Estonian kroons. According to Rimess MRI OÜ the entirety of the compensation to be received in the amount of 61,302,400 Estonian kroons should have been indicated as income upon entry into force of the agreement, i.e. in the earlier period.

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