Audit of the accuracy of the annual accounts 2005 and the legality of the transactions of the State Chancellery for the purpose of assessment of the consolidated annual report 2005 of the state

Audit report No. OSI-2-6/06/63 of 20 July 2006

Summary

According to the State Budget Act, the NAO must assess the state's consolidated annual report and the legality of transactions in 2005.

The NAO conducted an audit titled 'Audit of the accuracy of the annual accounts 2005 and the legality of the transactions of the State Chancellery for the purpose of assessment of the consolidated annual report 2005 of the state' for the purpose of assessing those balances of the annual accounts of the State Chancellery.

The important transaction class from the point of view of the state's annual report included fixed assets. Fixed assets were audited in the State Chancellery, where 44% of the fixed assets of administrative area are recorded, and the National Archives, with 55% of the fixed assets of administrative area recorded. Additionally, the NAO audited the State Chancellery regarding the transactions related to the appropriations of the European Union.

- **According to the NAO, the balance of the audited transaction class has been accounted accurately in material respects in the annual report of the State Chancellery as of 31 December 2005.**
- **Not taking into account the effect of the comment given below, the economic transactions included in the sample had been made in compliance with the main legislation regulating them, according to the NAO.**

Pursuant to the State Budget Act, state authorities are prohibited from taking loans, using a financial lease and assuming other such liabilities. In addition to leasing contracts concluded in past periods, the National Archives concluded three new leasing contracts under the terms of financial lease in 2005. The NAO is of the opinion that by concluding said contracts the National Archives have violated the State Budget Act.

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