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

Audit report No. OSII-2-6/06/67 of 26 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 Ministry of Defence 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 Ministry of Defence.

The important transaction classes from the point of view of the state's annual report included those related to other claims and advance payments, tangible assets, targeted financing, short- and long-term appropriations, management and labour costs. The NAO audited all these transaction classes.

According to the NAO, the balances of the audited transaction classes have been accounted accurately in material respects in the annual report of the Ministry of Defence as of 31 December 2005.

According to the NAO, the economic transactions included in the sample had been made in compliance with the main legislation regulating them, except for that given in the comment of the audit report regarding the establishment of salary grades.

The audit report also lists the main observations regarding the organisation of accounting, accuracy of transactions and functioning of internal audit systems, due to the irrelevancy of sums these do not influence the opinion of the NAO regarding the accuracy of audited transaction classes and economic transactions, but refer to the shortcomings in the internal audit system.

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