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

Audit report No. OSIV-2-6/06/70 of 9 August 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 the Environment 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 the Environment.

The important transaction classes from the point of view of the state's annual report included those related to other claims and advance payments, holding in consolidation group and associated entities, tangible fixed assets, biological assets, other operational expenditure, management and labour costs. In auditing the abovementioned areas, the NAO relied on the assessment of the external auditors who audited the authorities in the area of government of the Ministry of the Environment, while carrying out additional audit activities.

- **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 the Environment 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.**

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The Minister of the Environment concurred with the observations of the NAO and informed the NAO of the measures it has planned to take in order to eliminate the shortcomings regarding the recording into accounting of protected forests and unmanaged protection forests in the area of government of the Ministry. The full text of the reply of the Minister of the Environment has been appended to the audit report.

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