

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

Audit report No. OSIV-2-6/06/75 of 10 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 Economic Affairs and Communications 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 Economic Affairs and Communications.

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, targeted financing, received aids, other aids (operational expenditure) and management and labour costs.

The NAO audited all these transaction classes. Additionally, the NAO audited the revenue from the sale of goods and provision of services. The audit relied on the work of the internal auditors of the Ministry of Economic Affairs and Communications and on the NAO's audits „Organisation of accounting and legality of transactions of the Road Administration, the North Regional Road Administration and the Viru Road Management Institution" and „Organisation of accounting and legality of transactions of the Maritime Administration in 2005".

- **According to the NAO, the economic transactions included in the sample had been made in compliance with the main legislation regulating them.**
- **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 Economic Affairs and Communications as of 31 December 2005.**

At the same time, the NAO pointed out several shortcomings in the organisation of activities of the Ministry and the authorities in its area of government. The Minister of Economic Affairs and Communications concurred with the observations of the NAO and informed the NAO of the measures implemented to avoid the recurrence of the shortcomings identified in the course of the audit. The full text of the reply of the Minister of Economic Affairs and Communications has been appended to the audit report.

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