# Audit of the Annual Accounts 2006 of the Ministry of Culture for the purpose of assessing the consolidated report of the state

**Report of the National Audit Office to the Riigikogu, Tallinn, 13 July 2007**

### Assessment and observations of the National Audit Office on the accuracy of reporting as regards checked classes of transactions in the annual accounts.

**1. According to the assessment of the National Audit Office the balances of the checked classes of transactions reported in the annual accounts of the Ministry of Culture as of 31 December 2006 are accurate in all material respects.**

2. During assessment of the indicators of the annual report of the Ministry of Culture, the National Audit Office assessed only the compliance of the classes of transactions which are important from the point of view of the consolidated annual report of the state (see table on pages 9-10) to the Accounting Act, the respective regulations of the Minister of Finance and generally accepted accounting principles.

Investment properties have not been reported.

3. The annual accounts of the administrative area of the Ministry of Culture do not include under investment properties all parts of the building which have been rented to non-public sector entities and private individuals (apartments). As was the case in 2005, the parts of the Jõhvi Concert Hall and Pärnu Concert Hall of the State Concert Institute Eesti Kontsert in the respective amounts of 6.4 and 3.1 million Estonian kroons and the part of the Vanemuise Theatre under the café in the main building in the amount of 1.9 million kroons and 15 apartments in the amount of 3.1 million kroons have not been reported as investment property in 2006.

4. In the opinion of the National Audit Office classification of the parts of the buildings as investment property based on their purpose and correct accounting of transactions related to these ensure a comprehensive overview of the expenses incurred in maintaining the investment property. Now these expenses are reported as economic expenses on registered immovables, buildings and premises related to the principal activity.

5. **Recommendation of the National Audit Office to the Minister of Culture:** she should require from all institutions in her area of administration that the buildings and parts thereof which have been given to the use of entities outside the public sector be reported in the books as investment property.

**Response from the Minister of Culture:** The Ministry of Culture will launch additional supervision as regards common principles for reporting of investment property by the institutions of the consolidated group.

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