Accuracy of annual report 2007 and legality of transactions of the Chancellery of the Parliament

NAO report to the Parliament, Tallinn, 18 May 2008

Opinion of the NAO on the accuracy of annual report 2007 and the legality of transactions

The annual report is accurate in material part

1. **The annual report of the Chancellery of the Parliament which displays cash expenses of EEK 313,309 thousand and the result before settlements with the state budget of EEK 246,221,641 and a balance sheet total of EEK 268,728,000 as at 31.12.2007 provides, in the material part, a true and fair overview of the agency's financial situation, and its the cash expenses and financial result of the ended accounting period.**

Transactions are lawful

2. **The audited major economic transactions have been effected in accordance with the State Budget Act and the 2007 State Budget Act and Supplementary Budget Act.**

Parliamentary pension accounts

3. As at 31.12.2007, the Parliament's balance sheet recognises an appropriation of EEK 1,951 million consisting of the special parliamentary pensions awarded to the members of the 12th Supreme Council of the Republic of Estonia and the 7th, 8th and 9th Parliament by a corresponding law.

4. AS PricewaterhouseCoopers who was commissioned by the NAO to audit the accuracy of the annual report of the Chancellery of the Parliament found that the pension appropriations recognised on the balance sheet should be bigger by EEK 91 million (i.e. 5 %). The Chancellery of the Parliament has calculated the pension appropriations in the light of the calculation principles of the Ministry of Finance and used the official data of the Ministry of Finance and of Statistics Estonia to this end. The NAO admits that the use of somewhat different calculation methods and different source data leads to different estimated values. In the light of the above, the NAO finds that the Chancellery of the Parliament has acted to the best of their knowledge and thus considers any observations unjustified. The practice has shown that the Chancellery of the Parliament has been able to estimate the payable pensions rather accurately, and a fluctuation of 5 % cannot be deemed considerable, since the forecast is long-term, covering the period up to 2062.

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