Opinion on the Annual Accounts 2016 and the regularity of the transactions of the Ministry of Education and Research

Summary of audit results

What did we audit?

The State Budget Act requires the NAO to audit the accuracy of the annual accounts and the regularity of transactions of the state on an annual basis. The annual accounts of the state consolidate the financial statements - that recognise the effected economic transactions - of all state accounting entities, state-controlled companies, state-established foundations, and the state-owned commercial body.

The audit of the annual accounts and the regularity of transactions of the Ministry of Education and Research is part of the audit of the accuracy of the annual accounts and the regularity of transactions of the state. To provide an opinion on the accuracy of the annual accounts and the regularity of transactions of the state, the NAO conducted audit operations in the Ministry of Education and Research to determine:

- whether the financial statement items that are relevant for the annual accounts of the state are accurately recognised in the financial statement of the Ministry; and
- whether the 2016 budget implementation report is accurate; and
- whether the economic transactions carried out in 2016 comply with the State Budget Acts and the Public Procurement Act, and to a limited extent, to the State Assets Act.

Further, to determine the effectiveness of internal controls, the NAO conducted audit operations in selected areas of economic activity (labour and management costs of the vocational education programme) that are essential due to transition to activity based budgeting and their large financial value.

What did we conclude as a result of the audit?

The NAO is of the opinion that the items in the financial statement of the Ministry of Education and Research have been recognised in accordance with the generally accepted accounting principles, incl. the public sector financial accounting and reporting guidelines and the Accounting Act have been respected. It is the NAO's opinion that the Ministry and the agencies it governs have recognised their transactions on the basis of complete and relevant information.

The NAO finds that the 2016 budget implementation report of the Ministry of Education and Research which shows budgetary expenses of 501,171,246 euros, investments of 13,807,076 euros, financing operations of 234,688 euros and revenue of 82,233,370 euros provides reliable information on the Ministry's revenue (incl. grants received), expenditure, investments and financing operations.

The NAO is of the opinion that the economic transactions of the Ministry of Education and Research have in all material respects been carried out in compliance with the State Budget Act, the 2016 State Budget Act and the 2016 State Budget Act Amendment Act.

In the NAO's opinion, the agencies governed by the Ministry of Education and Research have neglected the principles of the Public Procurement Act.