Opinion on the Annual Accounts 2016 and the regularity of the transactions of the Ministry of Finance

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 Finance 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 Finance 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 to a limited extent, the Public Procurement Act and the State Assets Act.

What did we conclude as a result of the audit?

The NAO is of the opinion that, as at 31 December 2016, the items in the financial statement of the Ministry of Finance 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 Finance which shows budgetary expenses of 4,594,545,736 euros, investments of 11,402,589 euros, financing operations of 74,446,494 euros and revenue of 8,032,320,881 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 Finance 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, provided that the effect of qualifications concerning the use of money of other entities is excluded.

The NAO issues a qualification concerning the use of money of the Estonian Health Insurance Fund and the Estonian Unemployment Insurance Fund towards the expenses of the state.