



THE STATE AUDIT OFFICE OF FINLAND

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

1.1.2001–31.12.2001

177th year of operation

CONTENTS

REVIEW BY THE AUDITOR GENERAL	3
REVIEW OF OPERATIONS	4
DESCRIPTION OF RESULTS	11
FINANCIAL STATEMENTS WITH NOTES AND EXAMINATION OF THE FINANCIAL STATEMENTS	19
INTERNAL CONTROL	27
APPENDICES:	
Appendix 1. Completed performances in 2001	29
Appendix 2. Organization and division of tasks	33
Appendix 3. Auditors' report to Parliament	35

REVIEW BY THE AUDITOR GENERAL

Last year was the first year in which the State Audit Office operated in connection with Parliament. Moving from a position under the Government and the Ministry of Finance to a position in connection with Parliament took place smoothly without administrative or operational problems. Cooperation with Parliament and its administration has got off to a good start. Through the integration of administrative functions we have achieved financial as well as operational benefits. Bringing terms of employment in line with those of other employees of Parliament has not been accomplished in the way the Office wished, however.

In planning and focusing audit activities and reporting audit results, the Office has more clearly emphasized Parliament's needs and viewpoints. At the same time it has continued to take into consideration the information needs of the Government and administration under it, as in the past.

When the Office began operating in connection with Parliament, its organization was changed with the establishment of an Advisory Board as prescribed by law. Its task is to maintain and develop the Office's connections with cooperation partners, to present initiatives to develop auditing and to moni-

tor the focusing of audits, their effectiveness and ability to serve different cooperation partners. The Advisory Board discussed the state of result management in state administration on the basis of the Office's audit observations and presented an initiative on the further development of result management to the Ministry of Finance.

During the year the Office audited the State's financial statements as well as all ministries and agencies, whose number increased by 15% compared with the previous year. Despite this increase the average completion date for financial audits was somewhat earlier than in previous years with regard to both ministries and agencies.

The quality of performance audits was ensured and developed on the basis of recommendations from the quality working group and an external evaluation of effectiveness which was conducted the previous year. The number of performance audits completed last year did not reach the target, but more performance audits were completed than in previous years.

On the whole the past year was satisfactory in terms of effectiveness. The present report describes in greater detail how effectively the Office performed its task in 2001.

Tapio Leskinen

REVIEW OF OPERATIONS

1.1 Mission

The State Audit Office is an independent and neutral government agency which is responsible for ensuring the legality and effectiveness of the government's financial management and compliance with the state budget.

The Office's activities are governed by the Constitution and special legislation. In its work the Office makes use of the auditing standards of the International Organization of Supreme Audit Institutions (INTOSAI) and the related application guidelines approved by the European Union.

The Office produces useful and reliable information on the legality and effectiveness of the state's financial management for Parliament, the Government and other levels of administration. Through its audit and expert activities the Office promotes the economy, efficiency and effectiveness of state administration and makes sure that regulations are observed and that general principles of good administration and financial management are followed in the activities it audits.

Audits produce new information which can be applied to produce considerable economic benefits. These benefits can be of such a nature as to allow concrete evaluation or they can be indirect and reflected in improved decision-making, for example.

The Office's audit mandate covers:

- the Government and ministries
- state agencies
- funds outside the state budget
- state business enterprises and state-owned companies
- state aids

- state credit institutions taking care of payment traffic
- the transfer of funds between Finland and the European Union.

The Office also performs certain international auditing tasks, takes care of certain expert and negotiating tasks and participates in national and international cooperation in its field.

1.2 Goals

The Office's vision is to audit the state economy with top expertise

The Office's values:

Expertise
Objectivity
Cooperation
Courage
Effectiveness

The State Audit Office's auditing activities include financial audits and performance audits. These tasks have become internationally established as the basic tasks of the national external audit institution. The successful management of the tasks entrusted to the expert agency responsible for the external audit of the state economy is built on these two basic elements, which are complementary and mutually interacting.

The general goal of the Office's activities is:

- *to ensure* compliance with the state budg-

et and regulations concerning financial management

- *to promote* economy, efficiency and effectiveness in state administration
- *to promote* general thrift and the rationalization of activities.

Financial audits are performed annually and cover all state agencies and enterprises. The goal is to produce audits and related expert activities in key areas of competence which:

- ensure compliance with the state budget and key legislation regarding its application as well as the provision of correct and adequate annual accounts by state administration and agencies
- promote the proper arrangement of internal auditing and the application of good financial management principles
- support tasks related to the control of state corporations as an expert agency.

Performance audits are of a one-time nature and cover task areas applying to more than one unit, functions occurring throughout administration, tasks entrusted to a specific administrative sector, authority or recipient of state aids, funds outside the state budget, state business enterprises or state-owned companies.

A key goal of performance audits is to draw attention to significant deficiencies and problems in the effectiveness of administration and their basic causes and to supply the relevant decision-makers with information necessary for financial management in a usable form.

Both financial and performance audits involve the external auditing of ministries and subordinate agencies and enterprises, which is aimed primarily at ensuring the owner's financial interests. Financial audits serve Parliament as well as the Government and administration under it particularly by ensuring the legality of financial management and compliance with the budget. Performance audits serve them especially by producing objective information on the economy, efficiency, effectiveness and unexpected results

of the management of the state's tasks. Both types of audit ensure the correctness and adequacy of the information supplied to Parliament and other units responsible for controlling the state economy. Reporting to ministries, agencies and enterprises produces direct value added for financial control and monitoring.

1.3 Planning and strategic lines

The Office's operating strategy is made up of policy lines according to which the Office's activities are directed, carried out and developed taking into consideration changes in the Office's operating environment. The basis of this strategy is the task assigned to the Office in legislation.

The Office's activities are based on long-term planning and annual operational planning. Plans define strategic lines and focuses for activities and confirm individual audit topics.

The Office carries out its task through financial audits and performance audits, which are conducted along similar lines to achieve the Office's purpose.

The Office annually audits every state agency as well as the State's financial statements . On the basis of risk analysis, performance audits focus on areas which have considerable direct or indirect financial significance for the state economy. Financial audits and performance audits together provide a comprehensive picture of the management of the state budget economy.

The Office monitors the activities of state-owned companies, state business enterprises and funds outside the state budget. It publishes an annual report concerning the activities of the state-owned companies at the group level. Decisions concerning audits of state-owned companies and state enterprises as well as funds outside the state budget are made separately.

The Office has approved the following

criteria in focusing audit activities:

- the economic significance of the matter
- the risk for the state economy
- the production of new information
- ensuring the legality and effectiveness of agencies' financial management and compliance with the state budget
- the significance of the matter for Parliament.

Performance audit topics are selected each year on the basis of special focuses. Systematic risk analysis is used in selecting topics. In 2001 focuses included financial management systems, state aids and other supports, state revenues and financing systems, and investments and procurements.

According to the principle of equivalent protection, the auditing of EU funds is given the same weight as the auditing of national funds. The Office audits transfers of funds between Finland and the European Union in the same scope and according to the same principles and procedures which apply to national funds.

1.4 Organization

The State Audit Office is directed by the Auditor General, who is elected by Parliament for a term of six years. The Office comprises the Financial Audit unit, two Performance Audit units, the Internal Services unit and the Special unit (see organization chart, Appendix 2). The Office has its headquarters in Helsinki, with branches in Turku and Oulu.

The Office has an Advisory Board prescribed by law whose task is to maintain and develop the Office's connections with cooperation partners, to present initiatives to develop auditing and to monitor the focusing of audits, their effectiveness and ability to serve different cooperation partners. The Advisory Board is chaired by Maria Kaisa Aula, MP, with Under-Secretary of State Juhani Turunen as vice chairman and Special Researcher Leena Juvonen as secretary.

Composition of the Advisory Board in 2001-2003

Maria Kaisa Aula, MP

Reino Hjerppe, Director General,
Government Institute for Economic
Research

Markku Lehto, Permanent Secretary,
Ministry of Social Affairs and Health
Tapio Leskinen, Auditor General, State
Audit Office

Christel von Martens, Head of
Development, Association of Finnish
Local and Regional Authorities

Anita Niemi-Iilahti, Professor,
University of Vaasa

Risto Palo, Senior Auditor, State Audit
Office

Vappu Taipale, Director General,
National Research and Development
Centre for Welfare and Health

Juhani Turunen, Under-Secretary of
State, Ministry of Finance

Kari Urpilainen, MP

During the year the Advisory Board met five times. The members of the Advisory Board were provided presentations on the Office's activities: financial audit, performance audit and the audit of EU funds.

The Advisory Board also discussed the audit and operational plan for 2002. In addition it discussed the state of result management on the basis of audit observations. An initiative concerning performance management which the Advisory Board approved on 18 December 2001 calls for the Ministry of Finance to consider the arranging of a seminar aimed at further developing result management.

1.5 Personnel

Number and structure of personnel

The Office had 129 employees at the end of 2001. This was two less than the year before. However, the number of person-years for the year as a whole rose from 129 to 132 (an increase of 2.3%).

Year	Number of person-years	% change
1998	120	
1999	125	4,2
2000	129	3,1
2001	132	2,3

The portion of employees in permanent posts rose while the portion in temporary posts declined. At the end of 2001 the Office had 10 employees in temporary posts, which was 12 less than the year before.

Year	Employees in permanent posts		Employees in temporary posts		Employees on leave	
	No.	%	No.	%	No.	%
1999	103	71,5	26	18,1	15	10,4
2000	109	74,1	22	15,0	16	10,9
2001	119	81,0	10	6,8	18	12,2

Unpaid leaves of absence¹ have risen in recent years. Part of this growth is due to the increased use of job-rotation leave.

Year	Unpaid leaves of absence (person-years)	% change
1999	13,3	
2000	13,8	3,8
2001	15,3	10,9

Year	Job-rotation leave (months)
1999	3
2000	17
2001	31,2

Information on personnel	1999	2000	2001
Average age in years	44,4	44,0	45,0
Average length of service in years	10,1	10,2	11,2
Women's share of personnel, %	38	40,5	38
Personnel with a university degree, %	92	90,9	91,5

At the end of the year women comprised 38% of the Office's personnel and men 62%. Women's share of personnel rose in 2000 but declined last year by 6%.

The average age of employees at the end of the year was 45 years. The figure in 2000 was 44. The largest age groups were 45-49 years (22.5%) and 50-54 years (17.1%). Em-

ployees at least 45 years of age accounted for 58% of personnel (61% of men and 53% of women).

In 2000 the average age of all state employees was 42.4 years and employees at least 45 years of age accounted for 45.1% of the total.

Employees' average length of service was

¹ Unpaid leaves of absence include maternity and parental leave, paternity leave, child-care leave, pension/rehabilitation support, study leave, work elsewhere, public task, unpaid private matter and job-rotation leave

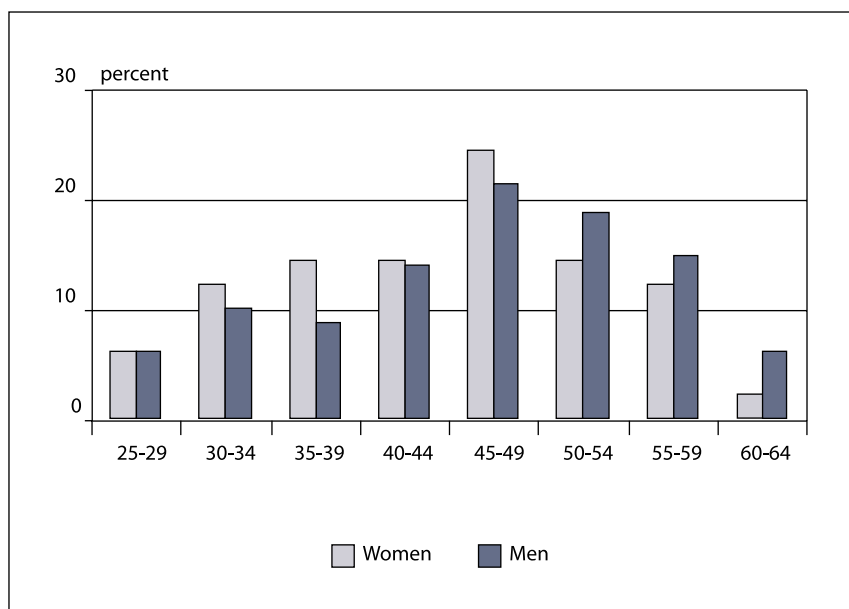


FIGURE 1: AGE DISTRIBUTION IN 2001

11.2 years. This was 1 year higher than in 2000. Employees' level of education remained high in 2001. Over 90% of employees had completed a university degree.

Training

The number of training days declined slightly compared with the previous year. Training days totalled 1,321 in 2001, or 10 days per person-year. In the Financial Audit result area training averaged 15 person-days per person-year (16 in 2000, 18 in 1999). In the Performance Audit result area training averaged

Sick leave

The number of days of sick leave per person-year rose slightly. In 2001 employees took 1081.6 days of sick leave on 360 occasions. The number of days of sick leave per person-year was 8.2 (7.9 in 2000), up 3.8%. On most occasions (86%) sick leave lasted 1-3 days.

Personnel turnover

The Office has experienced an increase in personnel turnover in recent years, along with state administration in general. Last year 9 employees, or 7% of the Office's personnel,

Year	Days of sick leave (working days)		
	No.	% change from the year before	Days/person-year
1998	931,60		7,8
1999	788,90	-15,3	6,3
2000	1020,90	29,4	7,9
2001	1081,60	3,8	8,2

7.5 person-days per person-year (9.5 in 2000, 8 in 1999).

Training costs amounted to FIM 2.13 million or 4% of the Office's total costs. This was FIM 16,109 per person-year.

left to take other jobs. No employees retired during the year.

Personnel turnover								
1999			2000			2001		
Tem- porary	Permanent	% of personnel	Tem- porary	Permanent	% of personnel	Tem- porary	Permanent	% of personnel
-	5	4	2	6	6	5	4	7

1.6 Development of activities

Last year was the first year in which the Office operated in connection with Parliament. From now on it will submit an annual report to Parliament by the end of September each year. In 2001 the Office prepared a pilot annual report for this purpose.

Implementation of the personnel strategy for the period 2000–2003 which was approved in 1999 continued. During the year the Office's internal communications were developed and a survey of the Office's external image was conducted. Objectives and principles concerning the Office's communications were approved in December 2001. The Office has had a communications officer since the beginning of 2002. In 2002 the Office intends to clarify and develop its recruitment principles.

A survey of the Office's external image was completed in February. Respondents were generally fairly familiar with the Office's sphere of work and audit activities. The survey indicated that objectivity is the most important feature of the Office's external image. The Office also received good marks as a cooperation partner. The worst mark was for communications. On the basis of the survey the Office's image is relatively positive and similar among key customer and interest groups.

Development of the Office's pay system continued. In November the Office appointed a working group to prepare and direct a study of job demands. The working group's task is to find out about job evaluation systems and then to propose an evaluation system and a consultant to be hired for this purpose. The working group has up to 30 August 2002 to complete its task.

In the autumn the Office also established a working group to develop audit and expert activities related to the transfer of EU funds. A member of the staff was placed in charge of this area on the basis of the working group's proposal.

A history of the Office during the period 1975–2000 was published during the year.

1.7 International activities

The State Audit Office serves as the national cooperation body of the supreme audit institutions of the European Union and the European Court of Auditors. During the year the Office took part in meetings of the auditors general and liaison officers of the supreme audit institutions of the European Union and in working groups appointed by meetings of the auditors general. An employee of the Office also held a temporary position at the Court of Auditors according to agreed practice between the Court of Auditors and the national audit institutions. The Office participated as an observer in all three audit visits of the European Court of Auditors in Finland and answered queries and requests for information from the Court of Auditors.

Two international joint audits in which the Office participated were completed in 2001. One of these was an EU joint audit concerning the reporting of state aids. A parallel audit on the implementation of the Convention on the Protection of the Marine Environment of the Baltic Sea Area (Helsinki Convention) was also completed during the year.

The State Audit Office is a member of the International Organization of Supreme Audit Institutions (INTOSAI) and the Eu-

ropean Organization of Supreme Audit Institutions (EUROSAI). As in past years, the Office participated in meetings organized by INTOSAI and EUROSAI as well as the preparation of meeting materials and answered enquiries from the organizations and their working groups. A key goal of international activity is to promote the exchange of information regarding auditing procedures. INTOSAI and EUROSAI are also involved in developing auditing methods and standards.

During the year the Office's representatives attended the XVII INTOSAI Congress in the Republic of Korea in October. A total of 141 countries were represented at the congress. The main themes were the participation of supreme audit institutions in the auditing of international organizations and their influence on administrative reform projects.

Cooperation and the exchange of information among the state audit institutions in the Nordic countries and the Baltic coun-

tries continued as in the past. During the year forms of cooperation included meetings of the Nordic auditors general and liaison officers as well as joint Nordic seminars on financial audit and data processing. The seminar on data processing was held at the Office in September. The seminar's themes included information security, obtaining information and the Internet and intranet, the use of qualitative and quantitative methods and computer auditing.

During the year the Office received 14 international visits and its representatives took part in 21 conferences and seminars abroad. The Office's representatives also made 8 audit visits abroad and took part in 2 other international expert tasks.

Exchanges with the National Audit Office of the UK continued for the second year, with an auditor from the Office visiting the UK for four months in the summer of 2001.

DESCRIPTION OF RESULTS

2.1 The Office's results

The Office produced 116 financial audits during the year (101 in 2000, 98 in 1999) plus a report on the State's financial statements. A total of 116 audits concerning fiscal year 2001 were started during the year. Financial audits and special audits accounted for 50% of the working time spent on external performance production in 2000 (Figure 2). This was 3% more than the year before.

The Office completed 26 performance audits during the year (22 in 2000, 26 in 1999). These led to 19 audit reports, 2 accounts, 3 studies and 2 preliminary studies. In addition 40 audits or preliminary studies were still under way at the end of the year (34 in 2000, 40 in 1999). Performance audits accounted for 44,5% of the working time spent on external performance production (Figure 2).

The breakdown of the financial audits, special audits and performance audits which were completed in 2001 by administrative field is shown in Figure 3. In interpreting this figure it should be pointed out that results with regard to financial audits are influenced by the division of agencies into administrative fields. With regard to performance audits calculations only included audit days for audits completed during the year. The most significant changes were increases for the Ministry of Justice, the Ministry of Labour and the Ministry of Trade and Industry and decreases for the Ministry for Foreign Affairs and the Ministry of Social Affairs and Health. These changes were due mainly to the breakdown of completed performance audits by administrative field. An exception was the

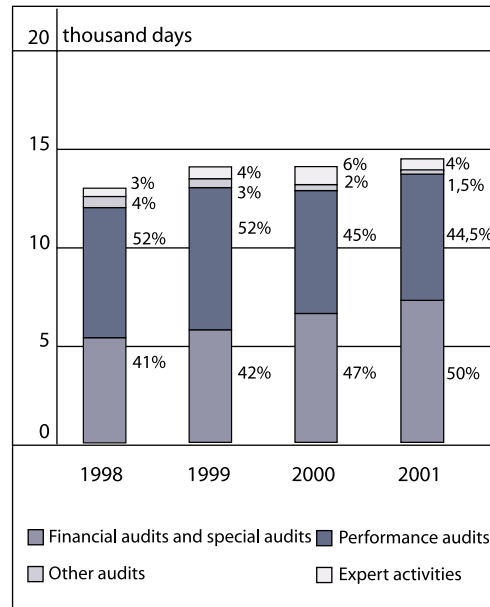


FIGURE 2: TIME USE IN 1998 –2001

Ministry of Trade and Industry's administrative field. In this case the increase was due to audits of the Employment and Economic Development Centres, which came within the Office's scope at the beginning of 2000.

The Office also took part in 51 other audits during the year. These mainly concerned state-owned companies, international organizations, funds outside the state budget, state business enterprises and domestic foundations and organizations. Other audits accounted for 1,5% of the time spent on external performance production (Figure 2).

A list of the audits which were completed in 2001 is appended to this report.

In connection with its expert tasks the Office presented initiatives, issued statements, provided advice and training, participated in outside working groups, gave testimony and handled complaints regarding the state's fi-

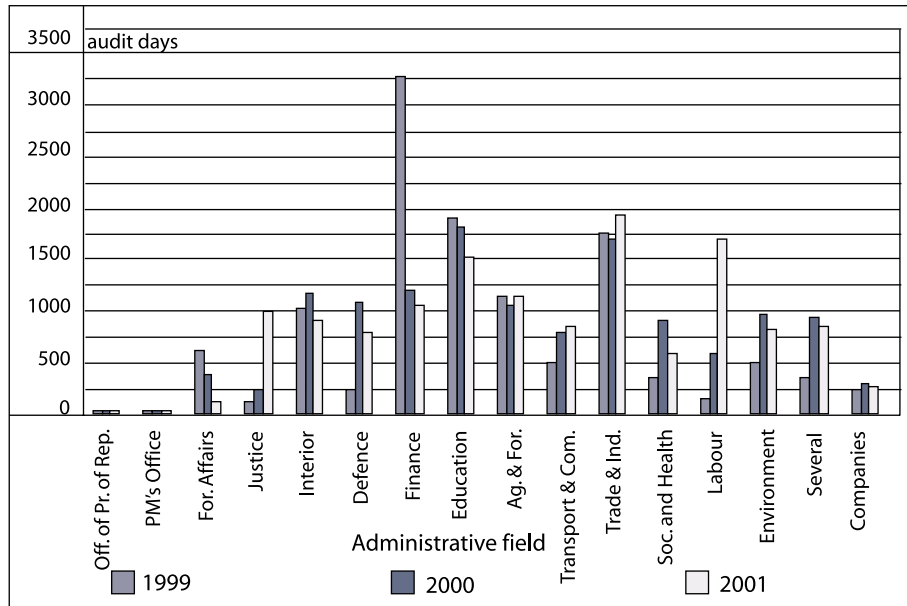


FIGURE 3: BREAKDOWN OF COMPLETED AUDITS BY ADMINISTRATIVE FIELD IN 1999–2001

financial management. Expert activities accounted for only 4% of the time spent on external performance production (Figure 2).

2.2. Costs and time use

The Office's costs (Figure 4) amounted to about FIM 48.76 million (FIM 46 million in 2000, FIM 42.5 million in 1999). Performance Audit accounted for FIM 24.08 million of this total (FIM 23.9 million in 2000, FIM 23.0 million in 1999), Financial Audit FIM 24.14 million (FIM 21.6 million in 2000, FIM 19.0 million in 1999) and the Special unit FIM 0.54 million (FIM 0.5 million in 2000, FIM 0.4 million in 1999). In the calculation the Office's real estate costs (FIM 4.3 million), internal service costs (FIM 5.0 million) and other joint costs (FIM 5.0 million) have been apportioned between different result areas.

External performances, i.e. audits and expert tasks, accounted for 66% of effective working time (excluding paid absences) in the Performance Audit result area (planned 72%, actual 65% in 2000, 66% in 1999) (Figure 5). In the Financial Audit result area the

share was 68% (planned 70%, actual 66% in 2000, 66% in 1999).

The average costs of the Office's external performance production amounted to FIM 3,346 per day, up 2% over the previous year (Figure 6). In the Financial Audit result area the average costs of external performance production amounted to FIM 3,221 per day, up 3% (Figure 7). In the Performance Audit

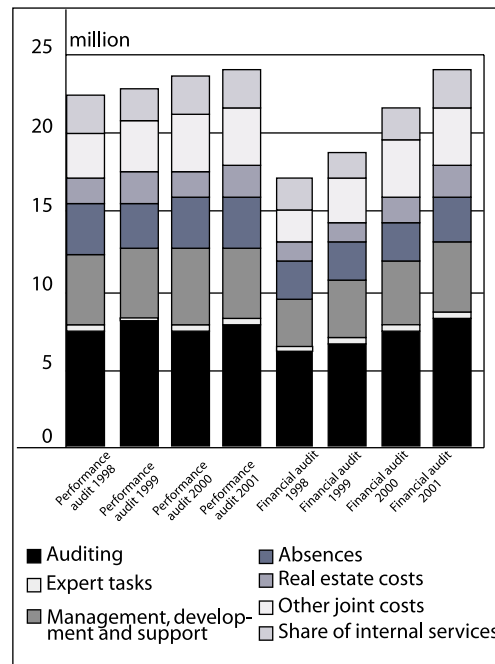


FIGURE 4: THE STATE AUDIT OFFICE'S COST IN 1998–2001

Working time in person-days and person-years			
	1999	2000	2001
person-days	31 599	32 411	33 214
person-years	125	129	132
Breakdown of working time, %			
	1999	2000	2001
effective working time	82	82	81
annual leave	13	13	14
holiday pay leave	1,5	1,5	1
sick leave	2,5	3	3
other paid leave	1	0,5	1
Total	100	100	100

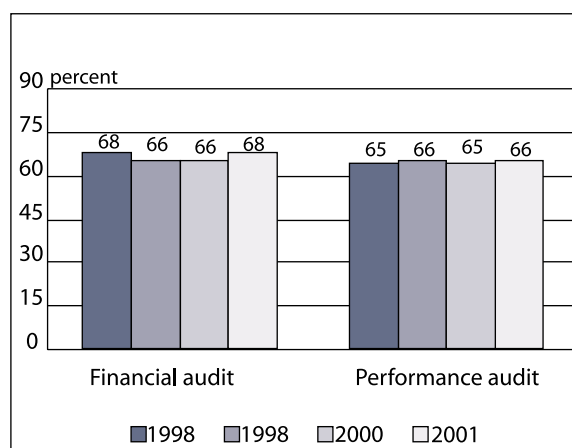


FIGURE 5 : TIME SPENT ON EXTERNAL PERFORMANCE PRODUCTION

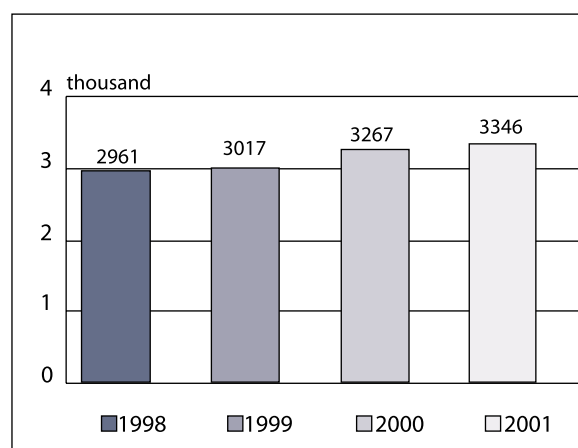


FIGURE 6: AVERAGE COSTS PER DAY OF EXTERNAL PERFORMANCE PRODUCTION (FIM)

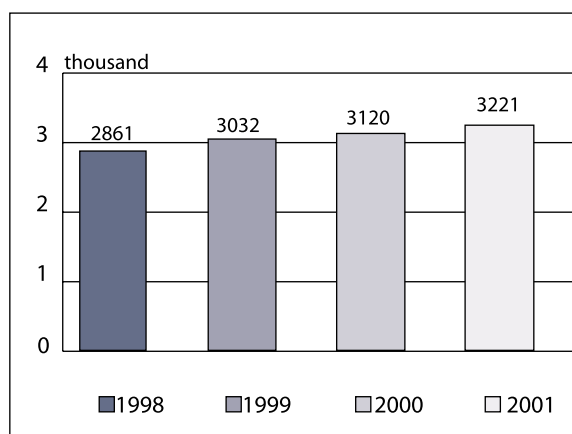


FIGURE 7: AVERAGE COSTS PER DAY IN THE FINANCIAL AUDIT RESULT AREA (FIM)

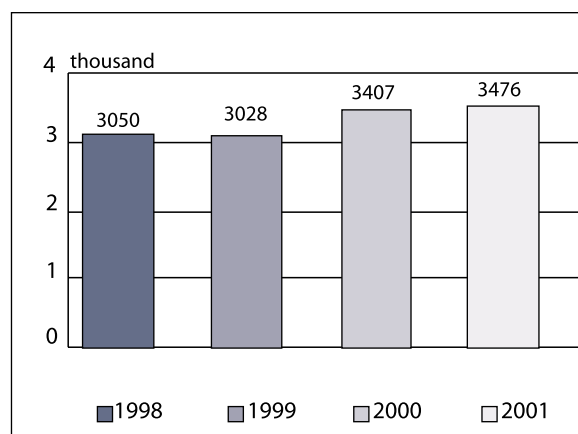


FIGURE 8: AVERAGE COSTS PER DAY IN THE PERFORMANCE AUDIT RESULT AREA (FIM)

result area the average costs of external performance production amounted to FIM 3,476 per day, up 2% (Figure 8).

Total pay excluding side costs amounted to FIM 29.9 million (FIM 27.6 in 2000, FIM 25.7 million in 1999).

2.3 Achievement of objectives and effectiveness in the Financial Audit result area

2.3.1. Achievement of objectives

The objective was to perform annual audits of all ministries and agencies as well as the State's financial statements for 2000

- according to the quality requirements in the audit guidelines
- clarifying and harmonizing the content of audit reports
- submitting audit reports to ministries by 15 June 2001 and to agencies by 31 May 2001 and moving up the average date of audit reports
- producing summary information on key observations for the Office's pilot annual report to Parliament.

All the audits in the objective were completed according to the audit guidelines. Progress was also made in clarifying and harmonizing the content of audit reports, according to the Office's own evaluation. A particular challenge was the increase in the number of agencies (101 in 1999, 116 in 2000) and the early state of financial administration and year-end reporting for the Employment and Economic Development Centres.

The average date of audit reports was 5 June for ministries (6 June in 2000) and 14 May for agencies (20 May in 2000). Audits were completed by 15 June for all ministries (11 of 13 ministries in 2000). Audit reports were submitted by 31 May for 86% of agencies (76% in 2000). The report on the State's financial statements was submitted on 13 June (11 September in 2000).

The use of the average date of audit reports as an objective which reflects effectiveness and also the level of service will be supported in future by the Office's plans to develop the handling of year-end accounts and the Office's first annual report to Parliament in September 2002.

Access to audit reports was improved by posting them immediately on the Office's website. Audit reports were published in

year	date ministries	other agencies	date all agencies	number of audits
1998			18 May	97
1999	7 June	21 May	23 May	98
2000	6 June	20 May	22 May	101
2001	5 June	14 May	17 May	116

Breakdown of working time used for external performances, %				
	1998	1999	2000	2001
annual audits	90	93	95	97
special audits	2	1	1	0
other audits	6	3	2	2
expert activities	2	3	2	1
	100	100	100	100

printed form and copies were distributed to the appropriate authorities.

A summary report of key audit observations was not published. Instead the Office focused on preparing the pilot annual report to Parliament as part of future reporting to Parliament.

Completed financial audits required an average of 60 days per audit (61 in 2000, 58 in 1999, 52 days in 1998). These figures also include 253 days spent on audits of information systems used in financial management (217 days in 2000). The amount of time spent on financial audits is estimated to have increased by about 10 days per agency as a result of the reform of the state accounting system. Plans called for 62 days per audit covering the financial year 2000 and reported in 2001.

Auditing performed in 2000 accounted for 42% of audits reported in 2001 (42% in 2000, 43% in 1999, 43% in 1998). This figure reflects the share of audit work performed during the financial year, which should be increased somewhat in order to meet the

timetable objective. No increase was achieved in 2001 owing partly to financially influenced delays in recruiting to handle the increased work load and partly to staff leave.

Personnel in the unit totalled 56 at the beginning of the year and 58 at the end of the year. Plans called for 58 person-years and the actual amount was 54.

2.3.2 Costs

The following tables present key cost information for financial audits which were completed in 1998, 1999, 2000 and 2001, namely costs per person-day and average costs per audit. Both figures are calculated on the basis of the unit's separate costs. Direct costs consist mainly of pay for actual work-days together with welfare and pension payments, plus direct travel expenses. The second cost component covers management, development and supporting activities. The cost of absences is mainly for annual leave and side costs. Separate costs per audit day rose by 3.1% in 2001 and by 10.1% over a three-year period.

	1998	1999	2000	2001
Result area's costs per person-day (FIM)				
direct costs	1 042	1 041	1 086	1 119
management, development, support	530	566	611	619
absences	350	358	356	378
Result area's separate costs	1 922	1 965	2 053	2 116
change 00-01, %				+3,1%
change 98-01, %				+10,1 %
	1998	1999	2000	2001
Result area's average costs per audit (FIM)				
direct costs	54 364	60 455	65 911	66 632
management, development, support	27 617	32 887	37 108	36 847
absences	18 266	20 796	21 619	22 522
Result area's separate costs	100 247	114 138	124 638	126 001
change 00-01, %				+1,1 %
change 98-01, %				+25,7 %

Average costs per audit rose by 1.1% in 2001 and by 25.7% in 1998-2001. Looking at development in 1998-2001, the effect of the average cost per audit day (+10.1%) has been less than the effect of the increase in the number of audit days.

2.3.3 Development

In 2001 the Office's audit guidelines were supplemented with a number of appendices aimed at developing the use of practical audit tools. The development of computer-aided auditing continued and auditors made clearly greater use of auditing software and applications in their work. Risk analysis methods were applied more often and systematically in audit planning. The special audit group for EU funds continued to operate.

A broad training programme for the unit's entire personnel started at the beginning of September 2001 and will last until March 2002. The goal of the training programme was to deepen expertise in financial audit. The programme was divided into themes according to the different stages of audit work, beginning with risk analysis and audit planning in the autumn and finishing with reporting in March. Training averaged 15 person-days per person-year (18 in 2001 (16 in 2000)). A total of 364 person-days was spent on development activities (586 in 2000).

During the year the Office participated in a project to develop paper-free accounting and maintained development links with the Ministry of Finance and the State Treasury.

A key challenge for development activities is reporting to Parliament. The Office must continue to meet the needs of the Gov-

ernment and subordinate administration, however. The Ministry of Finance has appointed a working group to develop the handling of agencies' and the state's year-end accounts as well as measures to improve result management. These development prospects together with the work of a parliamentary working group studying reports to Parliament will present challenges to the Office as well as agencies' financial administration.

2.4 Achievement of objectives and effectiveness in the Performance Audit result area

2.4.1. Achievement of objectives

The goal is for audits to produce significant and useful information to help direct the state economy and for administration to take the necessary steps on the basis of this information and the Office's statements.

The quality of the audit process was further developed on the basis of recommendations from the quality working group and an outside expert evaluation conducted in 2000.

Audit follow-ups were continued during the year and their significance was emphasized. The effects of every audit were subsequently monitored. This was also mentioned in the first pages of every audit report.

The internal objective was to complete 32 performance audits during the year. This objective was met for 26 audits.

Actual performance audits required 6,491 person-days (6,363 in 2000, 7,287 in 1999, 7,058 in 1998). Twenty-four audits led to re-

Breakdown of working time used for external performances, %				
	1998	1999	2000	2001
performance audits	96	96	91	94
other audits	2	2	1	1,5
expert activities	2	2	8	4,5
	100	100	100	100

ports, accounts and/or studies. These required 6,151 person-days or an average of 256 person-days per audit (302 in 2000, 263 in 1999, 306 in 1998). Two preliminaries were also completed during the year. Other audits required a total of 117 person-days.

At the beginning of the year 32 audits and 4 preliminary studies were still under way. Nineteen of these were completed during the year and led to 15 audit reports, 2 accounts and 2 studies.

A total of 31 new audit topics were initially included in the operational plan for 2001. After subsequent additions the plan included 43 new topics. Preliminary studies or actual audits got under way for 30 of these during the year. Of this number 16 preliminary studies and 6 audits leading to 4 audit reports and 2 preliminary studies were completed during the year.

The 26 audits which were completed during the year thus led to 19 audit reports, 2 accounts, 3 studies and 2 preliminary studies (22 audits in 2000, 26 audits in 1999).

In addition to actual performance audits the Office spent 571 person-days on various expert tasks.

Audit reports were published in printed form and copies were distributed to the appropriate authorities. Reports have also been available to the public and have been publicized in press releases.

Press releases concerning performance audits and summaries of audit reports are posted on the Office's website. Users can order publications and send feedback online.

2.4.2 Costs

Key cost indicators for performance audits which were completed in 2001 (costs per person-day, average costs per audit) are presented in the accompanying tables. Both figures are calculated on the basis of the unit's separate costs. Direct costs consist mainly of pay for actual work-days together with welfare and pension payments, plus direct travel expenses. The second cost component cov-

ers management, development, training and supporting activities. The third component consists mainly of the cost of paid leave together with welfare and pension costs.

Average costs per audit declined by 12.5% compared with audits completed the previous year. This was due mainly to a decrease in the number of audit days. Average costs per person-day increased by 2.8%.

2.4.3 Development

A total of 461 person-days or 4.1% of effective working time was devoted to internal development (668 person-days and 5.8% in 2000, 591 person-days and 5% in 1999, 579 person-days and 5% in 1998).

During the year a working group considered a strategy for performance audit. On the basis of this development work audits will focus on effectiveness and the significance of its evaluation.

An average of 7.5 person-days/person-year was spent on training performance auditors. The amount of time spent on training was slightly lower than in previous years (9.5 person-days in 2000, 8 person-days in 1999).

The focus in personnel development remained on in-service training for auditors. Personnel mainly received training arranged by state agencies and enterprises and other outside training in their special fields of expertise.

Performance auditors have been able to participate in a training programme arranged by the Financial Audit unit concerning the consistent implementation of audit guidelines. This has increased cooperation between performance and financial auditors and created possibilities to make use of information obtained in financial audits in performance audits as well.

At the beginning of 2001 the Office began a series of lectures on interaction between administration and citizens, with MPs from different political parties serving as speakers. Training was also arranged on the reform of central administration and new legislation on

	1998	1999	2000	2001
Result area's costs per person-day FIM				
direct costs	1 028	1 030	1 103	1 124
management, development, support	570	591	631	638
absences	392	379	417	449
Result area's separate costs	1 989	1 999	2 151	2 211
change 00-01, %				2,8 %
change 98-01, %				11,1 %
	1998	1999	2000	2001
Result area's average costs per audit FIM				
direct costs	313 998	271 053	333 281	289 007
management, development, support	174 269	155 584	190 637	164 156
absences	119 633	99 747	125 980	115 603
Result area's separate costs	607 899	526 384	649 898	568 766
change 00-01, %				-12,5 %
change 98-01, %				- 6,4 %

state aids. The management of basic services and the reform of the state grant system were also among timely themes.

In internal training the Office took advantage of the expertise of visiting auditors from the National Audit Office of the UK and the European Court of Auditors. Cooperation in the field of training continued with the state audit institutions in the other Nordic countries.

2.5 Abuses in administration

A total of 43 complaints regarding the state's financial management were received by the Special unit (34 in 2000, 32 in 1999), and 51 of these were dealt with during the year (17 in 2000, 24 in 1999). Complaints were submitted by private citizens and organizations. State officials and agencies submitted 16 reports concerning abuses under section 16 of the Act on the State Audit Office (11 in 2000). Ministries administering EC aids also submitted copies of their reports on the monitoring of subsidies under Commission Decree No. 1681/94 to the Office.

FINANCIAL STATEMENTS WITH NOTES AND EXAMINATION OF THE FINANCIAL STATEMENTS

3.1 Year-end accounts

STATEMENT OF INCOME AND EXPENSES

	1.1.2001-31.12.2001	1.1.2000-31.12.2000	
Operational income			
Rents and user charges	0,00	0,00	
Other operational income	<u>497,87</u>	<u>497,87</u>	<u>5 630,00</u> 5 630,00
Operational expenses			
Materials, supplies and goods:			
Purchases during the year	629 536,81	1 056 485,14	
Personnel expenses	37 729 869,05	34 803 049,87	
Rents	4 506 852,78	3 811 920,06	
Purchased services	3 975 267,19	4 110 670,01	
Other expenses	1 553 461,61	1 387 813,64	
Depreciation	<u>870 790,00</u>	<u>49 265 777,44</u>	<u>965 172,00</u> 46 135 110,72
Deficit I	-49 265 279,57		-46 129 480,72
Financial income and expenses			
Financial income	<u>0,00</u>	<u>0,00</u>	<u>0,00</u> 0,00
Deficit II	-49 265 279,57		-46 129 480,72
Income from taxes and compulsory charges			
Suoritetut arvonlisäverot	<u>-1 920 538,49</u>	<u>-1 920 538,49</u>	<u>-1 776 134,31</u> -1 776 134,31
Deficit for the year		<u><u>-51 185 818,06</u></u>	<u><u>-47 905 615,03</u></u>

BALANCE SHEET

	31.12.2001		31.12.2000	
ASSETS				
FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS				
Intangible assets				
Intangible rights	292 713,30		350 643,96	
Advance payments and work in progress	7 603,54	300 316,84	0,00	350 643,96
Tangible assets				
Machinery and equipment	1 407 199,62		1 057 653,43	
Furnishings	121 818,26	1 529 017,88	151 593,22	1 209 246,65
Securities and other long-term investments				
Securities	4 000,00	4 000,00	4 000,00	4 000,00
INVENTORIES AND FINANCIAL ASSETS				
Current receivables				
Other current receivables	8 875,35		27 499,89	
Advance payments	9 064,48	17 939,83	0,00	27 499,89
Cash, bank receivables and other financial assets				
Cash accounts	2 686,70	2 686,70	2 239,40	2 239,40
TOTAL ASSETS		<u>1 853 961,25</u>		<u>1 593 629,90</u>
EQUITY AND LIABILITIES				
EQUITY				
State's equity				
State's equity 1.1.1998	-4 873 435,54		-4 873 435,54	
Change in previous years	-1 124 635,98		-219 162,90	
Equity transfers	51 143 564,45		47 000 141,95	
Deficit for the year	-51 185 818,06	-6 040 325,13	-47 905 615,03	-5 998 071,52
LIABILITIES				
Current liabilities				
Accounts payable	570 991,05		966 094,58	
Inter-agency transfers	932 812,63		858 052,05	
Payable items	643 258,98		624 160,95	
Accrued expenses	5 747 223,72	7 894 286,38	5 143 393,84	7 591 701,42
TOTAL EQUITY AND LIABILITIES		<u>1 853 961,25</u>		<u>1 593 629,90</u>

COMPLIANCE WITH THE BUDGET 1.1.-31.12.2001

	Accounts 2000	Budget 2001	Accounts 2001	Accounts- Budget Larger Smaller (-)
Expenses				
22.40.21 Operating costs (2-year trans.)	0,00	51 085 000,00	51 085 000,00	0,00
24.50.66 Cooperation with neighbouring regions (3-year trans.)	200 000	0,00	0,00	0,00
28.10.21 Operating costs (2-year trans.)	44 225 000,00	0,00	0,00	0,00
28.81.23 VAT (open)	1 776 056,22	1 919 341,07	1 919 341,07	0,00
28.81.24 VAT/Operating with neighbouring regions (open)	78,09	1 197,32	1 197,32	0,00
34.06.02 Employment support	0,00	60 600,00	54 212,72	-6 387,28
Total expenses	46 201 134,31	53 066 138,49	53 059 751,21	6 387,28
Deficit for the year	<u>46 201 134,31</u>		<u>53 059 751,21</u>	

3.2 Notes

Note 1: Principles used in calculating depreciation according to plan and changes

Depreciation according to plan has been calculated on a straight-line basis according to the economic life of assets. The office does not own national property.

Depreciation principles did not change during the year.

Depreciation periods are:

Fixed assets	Period
Intangible assets	
Intangible rights	3 years
Advance payments and work in progress	No depreciation period
Tangible assets	
Machinery and equipment	3 - 7 years
Furnishing	5 years

Minor purchases costing less than FIM 5,000 have been included with annual costs.

Note 2: Personnel expenses and fringe benefits and holiday pay liabilities, FIM

Personnel expenses and fringe benefits	1.1.-31.12.2001	1.1.-31.12.2000
- Salaries and fees	29 895 828,89	27 662 345,18
- Fringe benefits	679 050,00	4 320,00
- Pension expense	5 600 957,68	5 179 305,46
- Other personnel expenses	2 233 082,48	1 961 399,23
Total	38 408 919,05	34 807 369,87
Holiday pay liabilities	1.1.2001	31.12.2001
	5 136 188,96	5 737 723,81

Salaries and fees in 2001 include FIM 72 100,00 in fees.

Salaries and fees in 2000 include FIM 55 388,00 in fees.

Note 3: Changes in the acquisition cost of national property and fixed assets and long-term expenditure, FIM

The acquisition cost includes all fixed assets whose economic lives had not ended at the beginning of the year, even if their acquisition cost had been completely written off.

The Office does not own national property or have other long-term expenditure.

FIXED ASSETS			
	Intangible assets		
	Intangible rights	Other long-term expenditure	Total
Acquisition cost 1.1.2001	1 154 456	0	1 154 456
Increases	203 876		203 876
Decreases			
Acquisition cost 31.12.2001	1 358 332	0	1 358 332
Accumulated depreciation 1.1.2001	803 812		803 812
Accumulated depreciation difference			
Depreciation according to plan during the year	261 805		261 805
Depreciation not according to plan during the year			
Accumulated depreciation 31.12.2001	1 065 617		1 065 617
Appreciations			
Book value 31.12.2001	292 715	0	292 715

In addition FIM 7,603.54 has been booked as work in progress under intangible assets.

FIXED ASSETS			
Tangible assets			
	Machinery and equipment	Furnishings	Total
Acquisition cost 1.1.2001	4 211 254	322 729	4 533 983
Increases	912 632	16 125	928 757
Decreases	-388 328		-388 328
Acquisition cost 31.12.2001	4 735 558	338 854	5 074 412
Accumulated depreciation 1.1.2001	3 153 599	171 136	3 324 735
Accumulated depreciation difference	-388 328		-388 328
Depreciation according to plan during the year	563 085	45 900	608 985
Depreciation not according to plan during the year			
Accumulated depreciation 31.12.2001	3 328 356	217 036	3 545 392
Appreciations			
Book value 31.12.2001	1 407 202	121 818	1 529 020

FIXED ASSETS		
Securities		
	Securities	Total
Acquisition cost 1.1.2001	4 000	4 000
Increases		
Decreases		
Acquisition cost 31.12.2001	4 000	4 000
Accumulated depreciation 1.1.2001		
Accumulated depreciation difference		
Depreciations during the year		
Accumulated depreciation 31.12.2001		
Appreciations		
Book value 31.12.2001	4 000	4 000

Note 4: Appreciation of national property and fixed assets

The Office did not book any appreciation on national property or fixed assets.

Note 5: Granted loans outstanding at the end of the year, FIM

The Office did not have any granted loans outstanding at the end of the year.

Note 6: Granted state securities, state guarantees and other commitments

The Office does not have any granted state securities, state guarantees or other commitments.

Note 7: Principles for translating foreign-currency liabilities, receivables or other commitments

The Office does not have any foreign-currency liabilities, receivables or other commitments .

Note 8: Shares and participations in companies and other securities comparable to shares

Name of security and series	Holding, %	No.	Lower limit of sales rights, %	Total market value FIM	Total book value FIM	Dividends, total FIM
1303 Other shares						
Oy Radiolinja Ab; L share		1			4 000	
1303 Other shares total					4 000	
Securities total					4 000	

Note 9: National property not included in the balance sheet

The Office does not own national property.

Note 10: Provision of information in accordance with section 42 f paragraph 2 of the State Budget Decree

Expenses from acquisition of production factors and income from the sale of performances have been booked on a performance basis. The Office does not have other expenses or income.

Note 11: Itemization of appropriations carried forward to the next fiscal year, FIM

	Starting balance 1.1.2001	Accumulation during the year	Final balance 31.12.2001
Appropriations carried forward			
4.00.28.10.21 Operating costs (2-year trans.)	-599 588,31	599 588,31	0,00
4.00.24.50.66 Cooperation with neighbouring regions (3-year trans.)	-195 430,63	10 079,70	-185 350,93
4.01.22.40.21 Operating costs (2-year trans.)	0,00	-2 815 691,90	-2 815 691,90
Total appropriations carried forward	-795 018,94	-2 206 023,89	-3 001 042,83

Note 12: Budget authorizations, their use and resulting expenses

The Office does not have any budget authorizations

Note 13: Year-end balancing account

BALANCING ACCOUNT 1.1. - 31.12.2001, FIM	
1. Deficit	-51 185 818,06
2. Entries which are included in the income/expense deficit but not in the budget deficit. Debet+/Kredit-	
Business accounting income and expenses not booked in budget accounting	1 472 324,85
Business accounting income and expenses booked as items waiting to be booked in a budget account or as appropriations carried forward	0,00
Business accounting income, expenses and technical items booked as appropriations carried forward	-2 206 023,89
Balance sheet account entries which are booked as budget income or expenses	0,00
3. Entries which are not included in the income/expense deficit but are included in the budget deficit. Debet-/Kredit+	
Business accounting income and expenses booked as off-budget financing	-1 140 234,11
4. Total	-53 059 751,21
5. Budget deficit	53 059 751,21
6. Difference	<u>0,00</u>

Note 14: Changes in equity, FIM

EQUITY	2001	2000
State's equity 1.1.1998	-4 873 435,54	- 4 873 435,54
Change in equity in previous years 1.1	-219 162,90	1 213 626,38
Opening transfer (Deficit for the year)	-47 905 615,03	-45 058 274,24
Opening transfer (Equity transfers)	47 000 141,95	43 625 484,96
Change in equity in previous years 31.12	-1 124 635,98	-219 162,90
Equity transfers 1.1.	47 000 141,95	43 625 484,96
Opening transfer	-47 000 141,95	-43 625 484,96
Transfers from state's giro expense account	51 547 903,19	47 290 662,24
Transfers to state's giro income account	-404 338,74	-290 520,29
Inter-agency transfers	0,00	0,00
Transfers from remittance account	0,00	0,00
Equity transfers 31.12	51 143 564,45	47 000 141,95
Deficit for the year 1.1	-47 905 615,03	-45 058 274,24
Opening transfer	47 905 615,03	45 058 274,24
Transfer to balance sheet	-51 185 818,06	-47 905 615,03
Deficit for the year 31.12	-51 185 818,06	-47 905 615,03
State's equity 31.12	-6 040 325,13	-5 998 071,52

The Office does not have asset or liability items booked as income or expenses after the approval of the starting balance sheet.

Note 15: Off-budget financing which should be included in the Statement of Income and Expenses

The Office does not have off-budget financing which should be included in the Statement of Income and Expenses

Note 16: Reserve funds in the balance sheet

The Office does not have reserve funds in the balance sheet.

Note 17: Reserve funds, foundations and associations outside the balance sheet

The office does not administer reserve funds, foundations and associations outside the balance sheet

Note 18: Overspending of estimated appropriations and reasons

The Office was not been granted estimated appropriations in the state budget.

3.3 Examination of the financial statements

The main reason for the operating costs carried forward to 2002 was the number of unfilled posts. The use of temporary personnel is not practical owing to the nature of auditing work.

COMPLIANCE WITH THE BUDGET, 31.12.2001

Budgeted Account	Appropriation		Available FIM	Used or accumulated FIM	Carried forward to 2002 FIM	Comparison with the budget FIM
	For 2001 FIM	Previous years FIM				
28.10.21 Operating cost (trans.)	0	599 588	599 588	599 588	0	0
22.40.21 Operating cost (trans.)	51 085 000	0	51 085 000	48 269 308	2 815 692	0
34.06.02 Pay-based employment support	60 600	0	60 600	54 213	0	6 387
TOTAL	51 145 600	599 588	51 745 188	48 923 109	2 815 692	6 387
28.81.23 VAT expenses (open)				1 919 341		1 919 341
28.81.24 VAT expenses (open)				1 197		1 197

INTERNAL CONTROL

Internal control involves influencing the Office's auditing environment through accounting systems and procedures built into operating processes. The comprehensiveness and effectiveness of control is ensured by internal auditing, for which rules were approved in 2001. According to these rules, activities and risks were evaluated in sufficient scope and on this basis audits were conducted particularly with regard to accounting systems and control procedures in financial administration. These audits were performed by a special auditor answering directly to the Auditor General.

The year-end accounts were approved in Helsinki on 18 March 2002



Tapio Leskinen
Auditor General



Esa Tammelin
Head of Plannig

COMPLETED PERFORMANCES IN 2001

Financial auditing		State Treasury	098/53/01
		National Board of Taxation	099/53/01
OFFICE OF THE PRESIDENT OF THE REPUBLIC		Customs Service	100/53/01
Office of the President of Republic	070/53/01	Central Statistical Office	101/53/01
		MINISTRY OF EDUCATION'S ADMINISTRATIVE FIELD	
OFFICE OF THE COUNCIL OF STATE		Ministry of Education	102/53/01
Office of The Council of State	071/53/01	National Board of Education	103/53/01
		University of Helsinki	104/53/01
MINISTRY FOR FOREIGN AFFAIRS' ADMINISTRATIVE FIELD		University of Joensuu	105/53/01
Ministry for Foreign Affairs	072/53/01	University of Jyväskylä	106/53/01
		University of Kuopio	107/53/01
MINISTRY OF JUSTICE'S ADMINISTRATIVE FIELD		University of Lapland	108/53/01
Ministry of Justice	073/53/01	University of Oulu	109/53/01
The Criminal Sanction Agency	074/53/01	University of Tampere	110/53/01
		University of Turku	111/53/01
MINISTRY OF THE INTERIOR'S ADMINISTRATIVE FIELD		University of Vaasa	112/53/01
Ministry of the Interior	075/53/01	Åbo Akademi University	113/53/01
Directorate of Immigration	076/53/01	Helsinki University of Technology	114/53/01
Åland Provincial Board	077/53/01	Lappeenranta University of Technology	115/53/01
Etelä-Suomi Provincial Board	078/53/01	Tampere University of Technology	116/53/01
Itä-Suomi Provincial Board	079/53/01	Helsinki School of Economics and Business Administration	117/53/01
Lapland Provincial Board	080/53/01	Swedish School of Economics and Business Administration	118/53/01
Länsi-Suomi Provincial Board	081/53/01	Turku School of Economics and Business Administration	119/53/01
Oulu Provincial Board	082/53/01	Art Academy	120/53/01
Population Register Centre	083/53/01	Sibelius Academy	121/53/01
The Police Department of Helsinki Local District	084/53/01	University of Industrial Art and Design	122/53/01
Central Criminal Investigation Police	085/53/01	Theatre Academy	123/53/01
Mobile Police	086/53/01	National Archives	124/53/01
Security Police	087/53/01	Academy of Finland	125/53/01
Police Technology Centre	088/53/01	National Art Gallery	126/53/01
Police School	089/53/01	National Board of Antiquities	127/53/01
The Police College of Finland	090/53/01	Suomenlinna Administrative Board	128/53/01
Emergency Services Institute	091/53/01		
Border Guard	092/53/01	MINISTRY OF AGRICULTURE AND FORESTRY'S ADMINISTRATIVE FIELD	
		Ministry of Agriculture and Forestry	129/53/01
MINISTRY OF DEFENCE'S ADMINISTRATIVE FIELD		Information Centre of the Ministry of Agriculture and Forestry	130/53/01
Ministry of Defence	093/53/01	Finnish National Centre for Agricultural Research	131/53/01
Defence Forces	094/53/01	Plant Production Inspection Centre	132/53/01
Defence Administration Building Department	095/53/01	The Seed Potato Centre	133/53/01
		Finnish Forest Research Institution	134/53/01
MINISTRY OF FINANCE'S ADMINISTRATIVE FIELD		Finnish Game and Fisheries Research Institution	135/53/01
Ministry of Finance	096/53/01		
The Government Institute for Economic Research	097/53/01		

National Board of Survey	136/53/01	Development Centre for Lapland	166/53/01
Finnish Geodetic Institute	137/53/01	Employment and Economic	
National Veterinary and Food		Development Centre	
Research Institute	138/53/01	for Pirkanmaa	167/53/01
		Employment and Economic	
MINISTRY OF TRANSPORT AND		Development Centre for	
COMMUNICATIONS' ADMINISTRATIVE		Ostrobothnia	168/53/01
FIELD		Employment and Economic	
Ministry of Transport and		Development Centre for	
Communications	139/53/01	North Karelia	169/53/01
Motor Vehicle Administration	140/53/01	Employment and Economic	
Finnish National Road		Development Centre for Northern	
Administration	141/53/01	Ostrobothnia	170/53/01
National Board of Navigation	142/53/01	Employment and Economic	
Finnish Rail Administration	143/53/01	Development Centre for	
Finnish Communications		North Savo	171/53/01
Regulatory Authority	144/53/01	Employment and Economic	
Finnish Meteorological Institution	145/53/01	Development Centre for Satakunta	172/53/01
Institution of Marine Research	146/53/01	Employment and Economic Development	
		Centre for Uusimaa	173/53/01
		Employment and Economic	
MINISTRY OF TRADE AND INDUSTRY'S		Development Centre for	
ADMINISTRATIVE FIELD		Varsinais-Suomi	174/53/01
Ministry of Trade and Industry	147/53/01		
National Board of Patents and		MINISTRY OF SOCIAL AFFAIRS AND	
Registration	148/53/01	HEALTH'S ADMINISTRATIVE FIELD	
Geological Survey of Finland	149/53/01	Ministry of Social Affairs	
Technical Research Centre		and Health	175/53/01
of Finland	150/53/01	National Research and	
Safety Technology Authority	151/53/01	Development Centre for Welfare	
Centre for Metrology and		and Health	176/53/01
Accreditation	152/53/01	Insurance Supervision Authority	177/53/01
Technology Development Centre	153/53/01	National Public Health Institute	178/53/01
National Consumer Administration	154/53/01	National Product Control Agency	
National Consumer Research		for Welfare and Health	179/53/01
Centre	155/53/01	Finnish Centre for Radiation	
The Consumer Complaint Board	156/53/01	and Nuclear Safety	180/53/01
National Food Agency	157/53/01	National Agency for Medicines	181/53/01
Office of Free Competition	158/53/01		
Finnish Tourist Board	159/53/01		
Employment and Economic		MINISTRY OF LABOUR'S	
Development Centre for South		ADMINISTRATIVE FIELD	
Ostrobothnia	160/53/01	Ministry of Labour	182/53/01
Employment and Economic			
Development Centre for		MINISTRY OF THE ENVIRONMENT'S	
South Savo	161/53/01	ADMINISTRATIVE FIELD	
Employment and Economic		Ministry of the Environment	183/53/01
Development Centre for Häme	162/53/01	Finnish Environmental Centre	184/53/01
Employment and Economic		Housing Fund Administration	185/53/01
Development Centre for			
Southeastern Finland	163/53/01	SEPARATE AUDIT	
Employment and Economic		The state's central accounting and the state's	
Development Centre for Kainuu	164/53/01	year-end accounts	186/53/01
Employment and Economic			
Development Centre for Central			
Finland	165/53/01		
Employment and Economic			

Performance auditing

AUDIT REPORTS

1/2001 Procurement of health-care services for war invalids	30/54/01
2/2001 The defence administration's procurement activities	
<i>Supply procurement</i>	281/54/01
3/2001 Developing the structure of agriculture	60/54/01
4/2001 Reporting on the effectiveness of environmental administration particularly with regard to nature protection and environmental protection tasks	33/54/01
5/2001 The adjustment of personnel in the prison administration	324/54/00
6/2001 Information on farmers' retirement support in budget bill	205/54/01
7/2001 FINNRA bridge projects for replacing ferries	195/54/01
8/2001 Implementation of the Helsinki convention on the protection of the marine environment of the Baltic sea area in Finland	193/54/01
9/2001 The employment and economic development centres	
<i>Effectiveness of control and management systems</i>	215/54/01
10/2001 Court income	198/54/01
11/2001 Use of the order authorization to create research and procurement preconditions	36/54/01
12/2001 Relief worker services for farmers	54/54/01
13/2001 The Centres of Expertise in regional development work	258/54/01
14/2001 Euro changeover in state administration	230/54/01
15/2001 The Vuosaari Harbour project	281/54/01
16/2001 Oy Veikkaus Ab's sponsorship activities	262/54/01
17/2001 The performance management and owner control of state enterprises	358/54/01
18/2001 The debiting of receivables against tax liabilities	369/54/01
19/2001 The procedure followed in the notification of state aids to the Commission under Articles 87-89 of the Treaty establishing the European Community	317/54/01

SEPARATE PUBLICATIONS

1/2001 EU funds outside the state budget	
--	--

SEPARATE STUDIES

1/2001 The development of net budgeted agencies' activities under item 28.81.22	219/54/01
---	-----------

ACCOUNTS

The performance of the state-owned companies in 2000	39/58/01
--	----------

AUDITS LEADING TO ACCOUNTS OR PRELIMINARY STUDIES

The effectiveness of result management in the Ministry of Labour's administrative sector	242/54/01
The activities and economy of certain units providing personnel training	286/54/01
New business centres	233/54/01
Transit procedures (Customs)	357/54/01

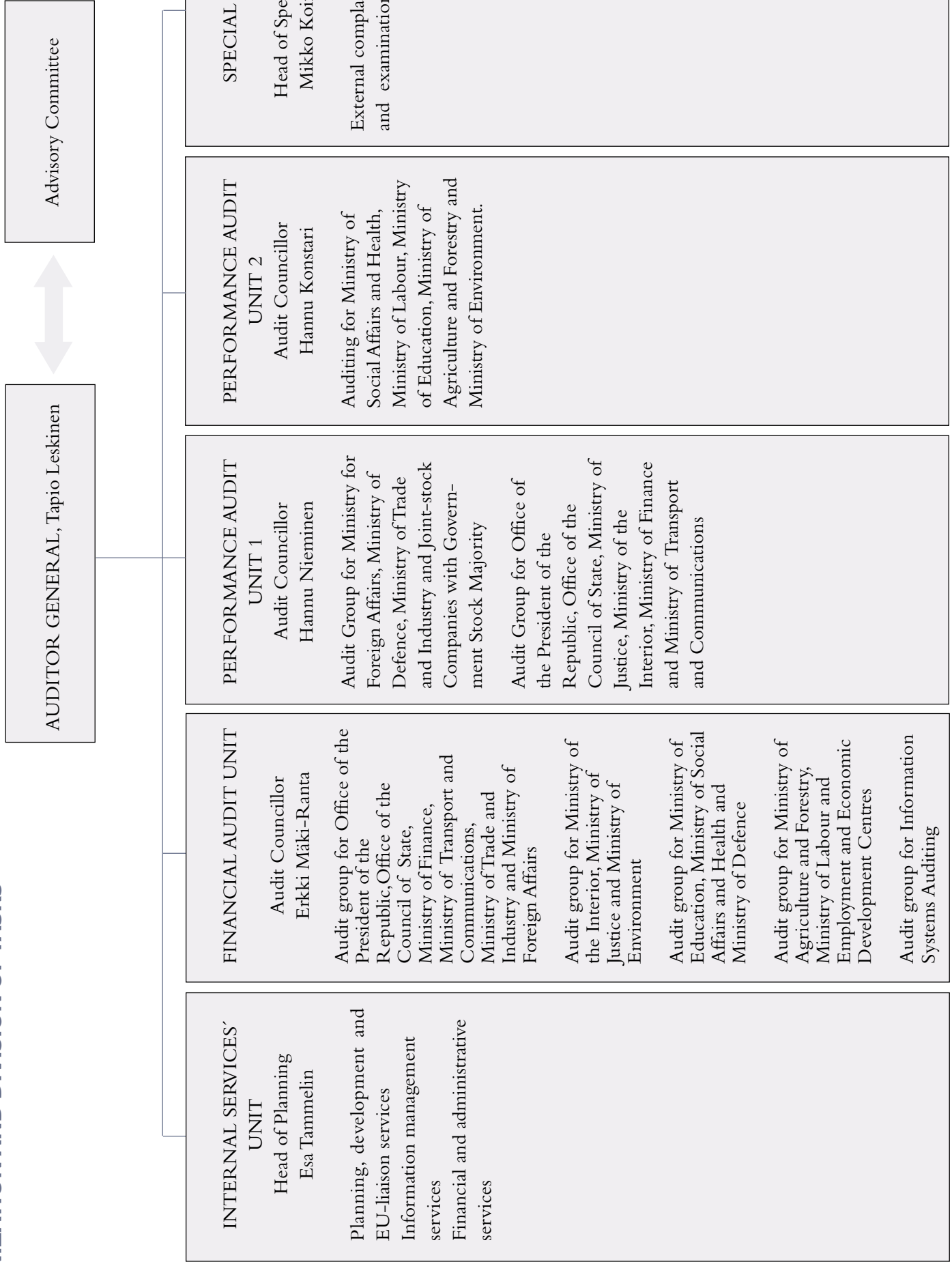
Other audits

State-owned companies	16
International audits	9
State enterprises	5
Foundations	4
Associations	4
Funds	9
Other	4
Total	51

Collections

State agencies' audit reports for fiscal year 2000	
Performance audits in 2000	

ORGANIZATION AND DIVISION OF TASKS



AUDITORS' REPORT TO PARLIAMENT

In the manner prescribed by section 19 paragraph 1 of Parliament's accounting regulations we have audited the financial statements, accounts and administration of State Audit Office during the financial period 1 January – 31 December 2001. The financial statements include the year-end accounts, the annual review of activities and the appendices stipulated in section 51 of the State Audit Office's accounting regulations. On the basis of our audit we issue our opinion on the financial statements and administration.

The audit has been conducted in accordance with Finnish auditing standards. The accounts, accounting principles and the content and presentation of the financial statements have been examined to the extent required to determine that the financial statements do not contain essential mistakes or deficiencies.

In our opinion the financial statements have been prepared in accordance with the State Audit Office's rules and regulations regarding the preparation of State Audit Office accounts. The financial statements give a true and adequate view of State Audit Office finances and their development during the financial period as prescribed in these rules and regulations. We do not have any comments on State Audit Office financial statements, accounts or administration for the year 2001.

Helsinki, 20 March 2002


Matti Saarinen


Aulis Ranta-Muotio


Petri Salo


Eero Suomela
KHT

