

The Auditor General Act

Consolidated Act no. 101 of 19 January 2012

Audit of Government Accounts etc. Act

Consolidation of Consolidating Act No. 3 of 7 January 1997 as amended by Act No. 590 of 13 June 2006 as amended by Act No. 1272 of 21 December 2011.

1.-(1) The audit according to this act shall be performed by an Auditor General appointed by the Speaker of the Folketing (Parliament) and approved by the Standing Orders Committee of the Folketing.

(2) The Auditor General is appointed for a period of six years with a possibility of a four-year extension. Extensions beyond the four-year tenure or re-appointment as Auditor General is not possible.

(3) The Public Accounts Committee shall submit its recommendation for the appointment of the Auditor General to the Speaker of the Folketing, who shall present the recommendation to the Standing Orders Committee after consultation with the Deputy Speakers. If, after consultation with the Deputy Speakers, the Speaker cannot agree to the recommendation, the Speaker shall notify the Public Accounts Committee. The Public Accounts Committee shall then submit a new recommendation.

(4) The Public Accounts Committee shall before expiry of the six-year tenure of the Auditor General submit its recommendation of a possible extension to the Speaker of the Folketing, cf. (2). The Speaker's decision on the matter will be made after consultation with the Deputy Speakers and with the approval of the Standing Orders Committee.

(5) (3) will be applied if the Auditor General is dismissed before his/her tenure expires.

(6) The Auditor General shall be independent in the performance of his duties.

(7) A member of the Folketing shall not be eligible for appointment as Auditor General.

(8) The Auditor General's recommendations relating to budget proposals for the annual appropriation acts and proposed staff allocations shall be presented to the Public Accounts Committee. The Public Accounts Committee shall consider the recommendations and submit the proposals, with the Committee's comments, to the Speaker. The Speaker shall arrange for the proposals to be considered with the budget of the Folketing in accordance with the rules of the Standing Orders of the Folketing.

(9) The Auditor General shall present the accounts of Rigsrevisionen to be included in and audited with the accounts of the Folketing, cf. section 2(4).

(10) The Auditor General shall appoint and dismiss his staff in accordance with the staff allocation provisions of subsection (8).

1a.(1) The Auditor General shall be disqualified relative to any specific matter in accordance with the provisions of Section 3 of the Public Administration Act.

(2) A substitute auditor general is appointed for a period of twelve months to perform the duties of the Auditor General relative to the specific matters in which the Auditor General is disqualified. The substitute auditor general can be reappointed.

(3) The substitute auditor general is appointed by the Speaker of the Folketing upon recommendation by the Public Accounts Committee and following consultation with the Deputy Speakers. The Speaker of the Folketing notifies the Public Accounts Committee of the appointment.

(4) The Auditor General shall notify the Public Accounts Committee if the Auditor General considers himself/herself disqualified. Subsequently, the Public Accounts Committee shall request the substitute auditor general to take over the duties of the Auditor General relative to the specific matter.

(5) The disqualification of the Auditor General, as referred to in (4), may occur in relation to the processing of:

- i) cases concerning employment and promotion and other administrative cases which would involve a decision by the Auditor General;
- ii) audit cases;
- iii) cases concerning entering of contracts or similar civil law transactions.

(6) If the Auditor General has not found cause to declare himself/herself disqualified, cf. (4) and (5), a complaint may be filed in that respect with the Speaker of the Folketing. After having submitted the complaint to the Public Accounts Committee and consulted the Deputy Speakers, the Speaker shall decide on the matter and notify the Public Accounts Committee of the decision made.

2.-(1) The Audit shall include:

- (i) government accounts;
- (ii) accounts of institutions, associations, foundations, etc., whose expenses or accounting deficits are covered by grants financed by the state or by contributions, duties, or other revenues according to statute;
- (iii) accounts of independent administrative entities established by statute, including the Appropriation Act, or by the Finance Committee's acceptance of an appropriation application; and
- (iv) accounts of partnerships and enterprises in which the state, one of the institutions, associations, foundations, etc., mentioned in para. (ii) or one of the independent administrative entities mentioned in para. (iii) participates as a partner or is a personally liable business associate.

(2) The audit of accounts covered by subsection (1) (iii) may be performed in cooperation with other auditors if so required by statute. The audit of accounts covered under subsection (1)(iv) may be performed in cooperation with the auditors of other partners.

(3) In its capacity of central bank, Danmarks Nationalbank does not fall within the scope of activities of the Auditor General.

(4) The accounts of the Folketing shall be audited by order of the Presidium of the Folketing (the Speaker and the Deputy Speakers).

3. The audit shall verify the correctness of the accounts and the compliance of the transactions covered by the financial reporting with the appropriations granted, statutes, other regulations, agreements and usual practice. Furthermore, an evaluation shall be made as to whether sound economic management has been applied to the administration of the funds and running of the operations covered by the accounts.

4.-(1) The Auditor General may require the following accounts to be submitted for review, directly or through the relevant minister:

- (i) accounts of the counties;
- (ii) accounts of institutions, associations, foundations, etc., receiving capital contributions, grants, loans, guarantees or other support from the state or one of the institutions etc., referred to in section 2(1)(ii)-(iv) or receiving contributions, duties or other revenues according to statute; and

(iii) accounts of such institutions etc., as are referred to in section 2(1) to which statutory audit provisions apply which deviate from this Act.

(2) The Auditor General may require accounts to be submitted for review directly from fully state-owned limited liability companies and limited liability companies in which the state holds a controlling interest but not from limited liability companies whose shares are listed on a stock exchange. Submission of accounts from other limited liability companies in which the state holds shares, including listed companies, will be required through the relevant minister.

(3) If the accounts required to be submitted according to subsections (1) and (2) cause the Auditor General to initiate a detailed examination, the Auditor General shall notify the minister concerned.

5. Upon request, the Auditor General shall have the right to review the part of municipal accounts that relates to activities for which payments are to be settled with the state.

6.-(1) In reviewing accounts as stated in sections 4 and 5, the Auditor General shall in particular ensure that the accounts are subject to adequate auditing, that the conditions for contributions etc., have been fulfilled, that the funds have been spent according to the given provisions and that the funds have been administered observing sound economic management .

(2) The accounts mentioned in section 4, cf. however subsection (3), include annual accounts with any possible consolidated accounts and annual reports, interim accounts and partial accounts as well as relevant accounting records, including bookkeeping records, management records and similar records, auditors' records and reports, etc.; as well as any other material and information which the Auditor General deems to be of relevance for the performance of his duties.

(3) The accounts of the limited liability companies mentioned to in section 4(2), second sentence, shall, in addition to annual accounts etc., presented in accordance with the Danish Financial Statements Act, also include other material of relevance for the review of such accounts, which the minister may take possession of.

7. If the government or one of the institutions etc., listed in section 2(1)(ii)-(iv) establishes or participates in an enterprise through capital investments, grants, loans, guarantees or other support or in an enterprise receiving contributions, duties or other revenues according to statute, the relevant state authority or institution etc., shall consult the Auditor General on audit issues of major importance on which it has influence, before decisions are made on such issues.

8.-(1) The Auditor General shall assist the Public Accounts Committee in its review of the state accounts. The Auditor General shall examine and report on matters which the Public Accounts Committee wishes to have clarified. The Public Accounts Committee and the Auditor General may request that joint meetings be held. At the Public Accounts Committee's request, the Auditor General shall participate in consultations with Folketing committees and the Public Accounts Committee.

(2) The Auditor General shall assist ministers in organising accounting and accounting control. Within his sphere of competence, the Auditor General shall deal directly with the minister concerned.

9.-(1) The Auditor General may arrange with the minister concerned that audit tasks according to section 2(1)(i) and (ii) shall be performed in a specified defined cooperation between the Auditor General and an internal audit body.

(2) The Auditor General may arrange with the minister concerned or, if the minister does not hold the requisite authority, with the management of the independent administrative entities mentioned to in section 2(1)(iii) and another auditor, cf. section 2(2), that audit tasks shall be performed in a specified defined cooperation between the Auditor General, another auditor and an internal audit body.

(3) The Auditor General may arrange with the minister concerned, other partners and the auditors of such other partners that audit tasks according to section 2(1)(iv) shall be performed in a specified defined cooperation between the Auditor General, the auditors of any partners and an internal audit body.

10.-(1) The authorities etc., included in section 2(1) shall keep the Auditor General informed of all provisions regarding accounting matters and any other matters deemed to be of relevance for the audit.

(2) The Auditor General shall have the right to express his opinion before any such authority makes changes to its accounting system or to procedures of relevance for the audit.

11.-(1) The authorities etc., included in section 2(1) shall present statements of accounts with vouchers to the Auditor General within one month of the end of the accounting period. The Auditor General may extend this time limit.

(2) The state accounts and statements regarding differences between appropriations and actual accounting figures shall be presented to the Auditor General within six months of the end of the fiscal year.

(3) At the Auditor General's request, the state authority concerned shall submit accounts, audit observations and any other necessary information as soon as possible for the purpose of the review mentioned to in sections 4 and 5.

12.-(1) The Auditor General may require any public authority to submit all such information and documents as the Auditor General considers relevant for the performance of his duties. The Auditor General may stipulate a time limit for such submissions.

(2) If, according to subsection (1), documents have been presented that are encompassed by provisions on exclusion of internal documents from the right of access to documents in Act on Public Access to Documents in Public Files, such documents shall remain excluded even after presentation to the Auditor General.

13. The Auditor General may at any time audit and review accounts at the location where the accounts are kept or where any other necessary records are available.

14. The Auditor General shall lay down provisions for the inspection of cash and inventory regarding the accounts listed in section 2(1).

15. The Auditor General shall on request inform the minister concerned of the nature and scope of the audit performed.

(2) The Auditor General shall give the minister concerned all requisite information about the audit and review findings.

16.-(1) A response to the Auditor General's comments concerning the audit and review of accounts shall be submitted within four weeks of receipt, unless the Auditor General allows a longer time limit.

(2) If, on completion of a correspondence, the Auditor General cannot accept the position taken, the Auditor General may communicate his final position directly to the minister, requesting that the minister submit his statement within six weeks. The Auditor General shall refer the matter to the Public Accounts Committee no later than three weeks after receipt of the minister's response or expiry of the said time limit.

17.-(1) The Auditor General shall examine the completeness of the state accounts and compare appropriation figures with accounting figures. The Auditor General presents a report to the Public Accounts Committee within a time limit to be agreed between the Public Accounts Committee and the Auditor General.

(2) The Auditor General shall present a report to the Public Accounts Committee on completion of such audit cases as the Auditor General wishes to highlight in view of their financial or principal importance.

(3) A case which is included in the Auditor General's report shall be presented to the minister concerned no later than four weeks before submitting the report. If the case concerns the counties mentioned in section 4(1)(i) the case shall also be presented to the county council. If a case concerns the limited liability companies mentioned in section 4(2), first sentence, the case shall also be presented to the company's board of directors. No such presentation is required if previous correspondence concerning the case has taken place.

(4) The Auditor General shall present an annual report on his activities to the Public Accounts Committee at a time to be agreed upon with the Public Accounts Committee.

18.-(1) The Public Accounts Committee shall forward the reports mentioned in section 17(1) and (2) to the Folketing and the minister concerned with any comments. The report mentioned in section 17(4) shall be submitted to the Folketing.

(2) The minister shall present a response to the Public Accounts Committee on the measures and considerations which a report has given rise to within a time limit determined by the Public Accounts Committee upon recommendation by the Auditor General. A time limit of minimum two months and maximum four months shall be determined. For the report mentioned in section 17(1) the time limit is two months.

(3) The minister shall obtain a statement from the county council concerning the counties mentioned in section 4(1)(i). In respect of the limited liability companies mentioned in section 4(2), first sentence, the minister shall obtain a statement from the company's board of directors. In addition to the statement, the minister's comments on the county council's or the board of directors' statement shall be included in the response mentioned in subsection (2) to the Public Accounts Committee.

(4) The response and the statement from the county council or the board of directors of the limited liability company mentioned in subsection (3) shall at the same time be forwarded to the Auditor General, who shall submit his comments to the Public Accounts Committee within a month of receipt thereof.

(5) The ministers' responses and the Auditor General's comments shall form part of the Public Accounts Committee's final report to the Folketing. If the Public Accounts Committee considers it appropriate the statements mentioned in subsection (3) may also be included in the final report.

18 a.-(1) The legislation on civil servants shall apply correspondingly to civil servants in Rigsrevisionen, cf. however subsections (2)-(5).

(2) The provisions laid down in accordance with the legislation referred to in subsection (1) shall apply correspondingly to civil servants in Rigsrevisionen, unless otherwise stipulated by the Standing Orders Committee.

(3) The provisions on salary and other terms of employment for civil servants in government service laid down in sections 45-47 of the Civil Servants Act shall apply correspondingly to civil servants in Rigsrevisionen, unless otherwise stipulated under subsection (5).

(4) Decisions to be made by a minister according to the legislation mentioned in subsection (1) shall be made by the Auditor General in respect of public servants in Rigsrevisionen.

(5) Agreements on salary and other terms of employment for civil servants in Rigsrevisionen shall be concluded between the Auditor General and the central organisations specified in section 49 of the Civil Servants Act. If no agreement can be reached, the Standing Orders Committee shall make the decision subject to presentation to the Public Accounts Committee.

(6) Cases regarding interpretation of agreements or provisions replacing agreements shall be heard by the Civil Servants Court. Cases may be brought by or against the Auditor General or one or more of the central organisations specified in section 49 of the Civil Servants Act. Section 53 a of the Civil Servants Act shall not apply. The cases mentioned in section 53(1)(ii) of the Civil Servants Act concerning civil servants in Rigsrevisionen shall be dealt with according to the provisions set out in sections 20 - 24 of the Civil Servants Act.

18 b.-(1) After presentation to the Public Accounts Committee, the Standing Orders Committee shall lay down provisions for the Auditor General regarding to such public administration issues as are governed by the Public Administration Act and the Act on Public Access to Documents in Public Files, cf. however subsection (2).

(2) For memoranda and reports to the Public Accounts Committee as well as any drafts thereof and extracts there from, the right of access to information according to the Public Administration Act and the Public Information Act shall not take effect until the day after the memorandum or report has been submitted to the Public Accounts Committee.

18 c. The rules on the handling of public administration files shall apply to the archives of Rigsrevisionen.

18 d. Rigsrevisionen may charge a fee for audits performed on a legal basis that is not comprised by this act.

19.-(1) This act shall come into force on 1 January 2012.

(2) Section 2(1) shall not apply to accounts for which special audit provisions have been laid down by legislation already in force.

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