

Annual Report 2021

Document 2 (2021–2022)



Cover: Odderøya lighthouse. Photo: Office of the Auditor General of Norway
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1 Auditing for improvements



Auditor General Karl Eirik Schjøtt-Pedersen

Photo: Mathias Fossum / Office of the Auditor General

The Office of the Auditor General of Norway is the largest and oldest regulatory body of the Norwegian parliament – the Storting. Our task is to check how the government and public administration are performing their duties. We carry out this mandate through different types of audits of the ministries and more than 200 central government entities. We also audit how the state exercises its ownership of more than 100 companies. Our overarching vision is for the Office of the Auditor General to benefit the society of tomorrow.

We will

- provide solid fact-based audits that the Storting can use to exercise its supervision of the government
- help improve the public administration
- provide transparency regarding the use of public funds

I took over as chair of the Office of the Auditor General in January 2022, joining a very well run organisation with highly skilled, proud and loyal employees. I would like to thank my predecessor, Per-Kristian Foss, for his clear voice in the public debate and the important work he has done over the past eight years to ensure the independence of the Office of the Auditor General.

As an organisation, the Office of the Auditor General has had another demanding year. The staff have worked tirelessly, primarily from home, to deliver high-quality audits. In addition, a considerable amount of development work has been carried out. For example, we updated the format of our most important document, the annual audit of the central government accounts, in 2021.

In our audits, we review the public administration's compliance with and implementation of parliamentary decisions. The findings are made available to the public. This is important to ensure the public's trust in the authorities. We also investigate issues that many of us encounter in everyday life. In 2021, we published audits on the mental health services and assistance for children and young people with disabilities.

The Office of the Auditor General's audits have a major impact and receive a great deal of attention. We must therefore make sure that we focus on topics that are relevant and important to our stakeholders. The Board of Auditors General has decided that clear priorities must be defined regarding the topics of audits. In the coming period, we will focus in particular on climate change, civil protection, improving public services and safeguarding of vulnerable groups.

Transparency in the public administration, and independent and objective supervisory bodies, are key pillars of a functioning democracy. We operate independently and objectively. This is a prerequisite in order to be able to deliver the factual basis the Storting needs to be able to exercise its supervision over the public administration.

In addition to being the Storting's supervisory body, our aim is also contribute to improving the public administration. We use our knowledge and expertise to give guidance to the organisations we audit. An example is the ongoing guidance we provide in connection with our audits of the financial statements of central government entities. As a general rule, the administration corrects any errors detected on an ongoing basis. Only one of the 233 sets of financial statements we audited in 2021 contained material errors, demonstrating that the public administration functions well, even in times of crisis.

The Office of the Auditor General is well equipped to meet the challenges of the future. Our employees go to great lengths to ensure that we always deliver topical, relevant audits. In this way, our audits help make society even better.

We hope you find this report interesting and informative.

Karl Eirik Schjøtt-Pedersen

Auditor General of Norway

2 The Office of the Auditor General and COVID-19

The COVID-19 pandemic continued to disrupt our operations and activities in 2021. We have navigated the pandemic on the basis of the same values and principles as last year, with adjustments where necessary. We have adhered to the advice and recommendations of central and local authorities in all our activities. The Office of the Auditor General has attached importance to close collaboration with our health and safety representatives and the labour organisations, resulting in a solid foundation of trust within the organisation.

In 2021, much of our work has again been carried out from home. The year has shown that the investments in new, efficient communication solutions – together with adaptations for the individual employee and facilitation of work from home solutions – have been highly effective.

In 2021, priority was given to conducting as much of our planned audit work as possible, even though a great deal had to be done digitally. We have enjoyed good dialogue with the public administration, which helped ensure smooth audits. We are satisfied with the results of the user satisfaction survey conducted in the public administration, which once again showed very good results, despite the challenging working conditions.

The audit of the Norwegian Armed Forces and the Norwegian Defence Materiel Agency required processing of classified information. The organisations made the necessary resources available and made arrangements to enable the Office of the Auditor General to conduct the audit within the confines of the authorities' restrictions. Despite this, it has not been possible to audit the entire annual financial statements of the Armed Forces and the Defence Materiel Agency for 2020. Other control activities in the defence sector have also been affected.

3 Brief presentation of the Office of the Auditor General of Norway

3.1 Roles and duties

The Office of the Auditor General of Norway (OAGN) is the regulatory body of the Norwegian parliament – the Storting. We conduct controls and audits of the ministries, central government entities and state interests in companies. The Office of the Auditor General is the only institution that provides the Storting with a comprehensive and independent audit of central government entities. The starting point for our controls and audits is the laws and decisions adopted by the Storting. In concrete terms, this means that we

- audit the central government accounts
- check that laws, rules and decisions are being complied with
- assess the economy, efficiency and effectiveness of public policies
- oversee the management of the state's interests in companies

Through our audits and controls, we also prevent and detect irregularities and errors, and advise the public administration with a view to preventing future errors and omissions.

Fact box 1 The framework for our audits

The general framework for our work is defined by the Act relating to the Office of the Auditor General and the Instructions concerning the activities of the Office of the Auditor General. We use the International Organization of Supreme Audit Institutions (INTOSAI)'s international framework and standards for public sector auditing, which contain basic principles and quality requirements for supreme audit institutions. Within this framework, we operate independently of the Storting and the public administration.

All our audits are independent and objective and are intended to provide the Storting with an expert basis on which to perform its parliamentary supervision of the government. In most cases, the Board of Auditors General decides what to investigate, but the Storting in plenary may instruct the Office of the Auditor General to conduct special audits. The report on the Alexander L. Kielland accident presented to the Storting in spring 2021 is an example of this kind of special audit.

The Storting has asked the Office of the Auditor General to carry out a special audit into practices related to the Storting's financial arrangements for MPs.¹ The audit report is scheduled to be presented in autumn 2022.

In autumn 2020, the Storting asked the Office of the Auditor General to investigate government grants to organisations to ensure proper compliance with the purpose of the grant². This investigation involves several ministries, and work started in 2021. The report from this investigation is scheduled to be presented in autumn 2022.

¹ Recommendation from the Presidium of the Storting of 16 December 2021. Adopted in the Storting on 6 January 2022.

² Adopted in the Storting on 6 October 2020 on the basis of a private member's proposal.

3.2 Our audit approach

The Office of the Auditor General performs mandatory regular annual audit assignments such as financial audits and corporate control. We decide what to audit, based on assessments of risk and materiality. Our objective is always to provide the Storting with current and relevant information.

3.2.1 Financial audits and audit of the central government accounts

Annually, financial audits are crucial for ensuring trust in public accounts.

Fact box 2 Financial audits

Financial audits provide assurance that the central government accounts do not contain material misinformation or omissions and that the financial statements have been prepared in line with the applicable regulations and financial frameworks.³

Source: Office of the Auditor General of Norway

We audit the central government accounts and the accounts of central government entities, including all the ministries and the Office of the Prime Minister. We also audit the accounts of the Storting (Parliament), the Sámediggi (the Sámi Parliament) and other organisations that have a duty to submit their accounts to the central government, as well as four Nordic organisations based in Norway,⁴ and the United Nations Association of Norway.

Audits of an organisation's accounts include:

- financial audit of the annual financial statements
- risk-based checks of compliance with the administrative regulations for public sector financial management

The results are reported annually in the form of an audit report for each organisation. We also prepare a declaration on the central government accounts. The most important findings are reported in the Office of the Auditor General's annual audit report – from the national budget to the central government accounts (Document 1).

Advice and dialogue

We advise the organisations we audit to help ensure that their accounts do not contain any material errors or omissions. Auditors provide guidance through the annual audit programme, both when the audit is being planned and conducted and when the audit report is issued. This guidance is provided in dialogue with the organisation being audited and may pertain to its accounts or its internal control procedures.

We aim to provide guidance in a way that does not affect the independence and objectivity of the Office of the Auditor General in the subsequent audit. Audited organisations have an independent responsibility for their accounts and internal control, regardless of any advice provided by the Office of the Auditor General. The organisations being audited must ensure that they have systems in place at all times that meet their quality control needs.

³ In the public administration, this includes the *Appropriations Regulations, the Regulations on Financial Management in Central Government* (the Financial Management Regulations) and associated circulars, and the central government accounting standards for those organisations that use accrual accounting.

⁴ A complete list of these organisations can be found in Appendix 2 to Document 1 (2021–2022).

3.2.2 Annual corporate controls

Each minister is required to submit documentation to the Office of the Auditor General. Based on the documentation received, we check whether general meetings and corporate meetings have been held and documented in compliance with the relevant laws, regulations and decisions.

Based on our assessment of materiality and risk, it may be pertinent to carry out further investigations in selected areas as part of the annual corporate control. This can include checking whether the management of the state's interests is in compliance with laws, regulations and decisions (regulatory compliance) and/or generally accepted principles relevant to the administration of the state's interests in the companies (prudent administration). We report any material non-compliance to the Storting. Normally, this is followed up after two years to provide the Storting with information about what measures have been taken after the report was submitted.

3.2.3 Performance audits and compliance audits

When selecting an area to audit, our decision is based on what information we think will be most useful for the Storting in its supervision of the government and public administration. Risk and materiality normally determine the direction and content of our audits. Possible audit topics must be of major financial or social importance or address matters of principle, or there must be a likelihood of non-compliance with parliamentary decisions and intentions.

We continuously monitor key areas of society and use information from financial audits and other audit work to select new areas to be investigated. We also gather information from a range of external sources, such as research communities, academia, the media and our external tip-off channel.

Possible audit topics are then prioritised. The investigations are conducted as either a performance audit or a compliance audit. As part of the corporate control, we also conduct performance audits of the management of the state's interests in companies.

Fact box 3 Performance audits and compliance audits

Performance audits

Performance audits enable us to perform major, systematic investigations, the aim of which is to show how the government and central government administration have implemented measures adopted by the Storting, and the effectiveness of public initiatives⁵.

Compliance audits

Compliance audits enable us to check that central government entities are discharging their duties in the manner decided by the Storting and that they are complying with laws and regulations⁶.

Source: Office of the Auditor General of Norway

The Board of Auditors General makes the final decision regarding which audits we will conduct.

The audit process

The audit process consists of four phases: planning, implementation, reporting and follow-up. In all four phases, we assess, based on analyses of risk and materiality, whether to continue with the audit.

⁵ Section 9 of the Act relating to the Office of the Auditor General, and section 9 of the Instructions concerning the activities of the Office of the Auditor General.

⁶ Section 9 of the Act relating to the Office of the Auditor General, and sections 3 and 9 of the Instructions concerning the activities of the Office of the Auditor General.

Planning

During the planning phase, we carry out a thorough risk analysis to determine whether the risk is sufficient to justify an audit. We also gather more information to ensure that we have a good understanding of the administration of the policy area, which we use to develop an implementation plan for the audit. In this plan, we decide on the objective of the audit, audit questions, audit criteria (the norms and standards against which the evidence will be measured) and the method of gathering and analysing information. During the planning phase, we communicate with the organisation or ministry to be audited about how the tasks will be performed and the audit criteria.

Implementation

If we conclude that an audit might detect major shortcomings and thereby contribute to improvements, the audit is performed. During the implementation phase, we gather necessary information and perform the necessary analyses in view of the objectives and audit questions. In the audit report, we summarise the findings and present a conclusion, based on the defined audit criteria. A draft of the report is sent to the responsible ministry for review and comment (contradiction).

Reporting

Based on the audit findings and the ministry's feedback, we then assess whether the matter should be reported to the Storting. The Board of Auditors General makes the final decision. Reports that are to be presented to the Storting are submitted to the responsible minister for comment. The minister's response is attached to the report. The reports are made public after they have been submitted to the Storting. We publish them on our website: www.riksrevisjonen.no.

Follow-up

Once the Storting has received a report, it is considered by the Standing Committee on Scrutiny and Constitutional Affairs and then by the Storting in plenary. We follow up audits, generally within three years, to provide the Storting with information about the measures that have been implemented after the report was submitted.

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See section 4.2 for a more detailed presentation of our audits and investigations.

3.3 Organisation

3.3.1 The Board of Auditors General and the Secretary General

The Office of the Auditor General is governed by a Board consisting of five Auditors General. The Storting selects members of the Board every four years following the parliamentary election, for a term of four years starting from the beginning of the next calendar year.

At the same time, the Storting also appoints the chair and the deputy chair of the Board.

The chair of the Board is also the managing director of the Office of the Auditor General.

Per-Kristian Foss was chair of the Board of Auditors General whose term of office ended at the close of 2021. He was chair of the Board of Auditors General for two terms.

Board of Auditors General 2018–2021:

Auditors General	Role	Deputy
Per-Kristian Foss	Chair	Martin Engeset
Helga Pedersen	Vice-chair	Per Rune Henriksen
Gunn Karin Gjøl	Board member	Beate Heieren Hundhammer
Anne Tingelstad Wøien	Board member	Heidi Grande Røys
Arve Lønnum	Board member	Kenneth Svendsen

In December 2021, the Storting selected a new Board of Auditors General for the period 2022–2025. Karl Eirik Schjøtt Pedersen is the chair of the new Board of Auditors General.

Board of Auditors General 2022–2025:

Auditors General	Role	Deputies
Karl Eirik Schjøtt-Pedersen	Chair	Svein Roald Hansen
Tom-Christer Nilsen	Vice-chair	Beate Heieren Hundhammer
Helga Pedersen	Board member	Heidi Grande Røys
Anne Tingelstad Wøien	Board member	Tor Peder Lohne
Arve Lønnum	Board member	Torstein Dahle

The Secretary General assists the Auditor General in the day-to-day management of the organisation and is also the secretary for the Board of Auditors General. Jens Arild Gunvaldsen has been Secretary General of the Office of the Auditor General since 2016.

3.3.2 Organisation, employees and regional presence

The Office of the Auditor General comprises seven departments, an administrative section and an international section. Each department is managed by a Director General. The audit departments are set up according to the types of audits they perform and which ministries they audit.

The administrative support functions provide services to the entire organisation. These services are essential for ensuring that our audits and investigations can be carried out efficiently and that we comply with the laws and regulations that govern our operations.

The functions are responsible for the operation and development of our various systems, as well as providing services such as HR, payroll, financial services, archiving, library, security, operations, cleaning, communication, corporate governance and management support.

At the end of 2021, the Office of the Auditor General had 445 permanent and three temporary employees. Our employees are primarily economists, auditors, lawyers and social scientists. In 2021, we performed work corresponding to 414 full-time equivalents.⁷



Our head office is in Oslo, and we have a strong regional presence, with regional offices in Tromsø, Bodø, Trondheim, Bergen, Kristiansand and Hamar.

At the end of 2021, 66 employees worked outside Oslo. Each regional office has between 7 and 14 employees.

For more details, see chapters 4, 5 and 7. Read more about our organisation on www.riksrevisjonen.no.

⁷ See chapter 7 for a definition.

4 Activities and results in 2021

4.1 Results related to the strategic goals

The Office of the Auditor General’s strategic plan covers the period 2018–2024. Our vision is to deliver “auditing to benefit the society of tomorrow”, and we work towards three main goals. We will

- be society’s foremost provider of current and relevant public auditing
- conduct high-quality audits and controls
- be an efficient organisation

We have defined strategies for each main goal that specify how we will work to achieve the goal.

4.1.1 Goal 1: The Office of the Auditor General is society’s foremost provider of current and relevant public auditing

Contribute to the Storting’s supervision of the public administration

The Standing Committee on Scrutiny and Constitutional Affairs has stated that the Office of the Auditor General, through its audits and investigations, provides important contributions to the supervision of the Government and the public administration, and identifies important premises for the Storting’s control work.

Our analysis shows that the Storting has used 54 of the Office of the Auditor General’s audits in its work in 2021, compared with 42 in 2020. This is in addition to its standard consideration of our audit reports. The audits that have been most used in the Storting’s work are:

- The quota system in coastal and deep-sea fishing
- Police efforts against crime through the use of ICT
- Mental health services

There was a total of 142 references to these 54 audits in 2021, distributed as follows:

Recommendations	73
Private members’ bills	6
Consultations	3
Mention in consultations	1
Written questions	14
Question Time	2
Debates (minutes of meetings)	43

There are most references to our audits in the areas covered by the Ministry of Health and Care Services and the Ministry of Labour and Social Inclusion⁸. The majority of the referenced audits are fairly recent, reported in the parliamentary sessions 2019–2020 and 2020–2021, but there are also references to audits from up to 15 years ago.

Document 1 makes an important contribution to the Storting’s supervision of the public administration. We have made major changes to both the content and format of this report in 2021, which we believe has further improved the quality.

⁸ Formerly the Ministry of Labour and Social Affairs

Contribute to relevance for the general public and improvement of the public administration

According to a review we conducted of how the audits are followed up in the public administration, the public administration implements changes and improvements as a direct result of our audit findings and recommendations and the Storting's comments on our audits. We normally follow up an audit within three years of it being reported to the Storting. The purpose of this follow-up is to provide the Storting with information about what the public administration has done in the wake of the audit and what impact the measures have had. In some cases, the follow-up is carried out as a new audit in the same area. The investigation on archiving and transparency in the central government administration – Document 3:3 (2021–2022)⁹ – is one such example. In this way, we provide important contributions to improvements, although there is still potential for greater use of our audit results.

The annual user surveys indicate that the public administration finds our audits and investigations relevant and useful, and that they are used as tools to make specific improvements. The feedback in 2021 was consistently positive. The results vary slightly from year to year, but perceived usefulness has increased in recent years. This applies to both financial audits and performance audits.

Offer benefit, credibility and relevance to the general public

In 2021, we have once again made important contributions to the public debate, in addition to helping to improve the public administration. In many cases, the findings from our audits have a direct impact for individuals. Audits that are of importance to the users of public services, including vulnerable groups, is one of our priority areas for audits.

The media are our main channel for communicating information about our audits to the public. In 2021, the Office of the Auditor General had approximately 4,800 instances of media coverage (compared with around 4,200 in 2020). The results of our audits and investigations are used as the basis for media coverage, suggesting that the audits are perceived as topical and relevant contributions to the public debate.

Fact box 4 Media coverage of our audits

In 2021, the following audits received the most media coverage:

- Investigation into the authorities' work on the Alexander L. Kielland accident
- Investigation into police efforts against crime through the use of ICT
- Investigation into the IT initiative One patient – one record: management and procurement

Source: Retriever

The Alexander L. Kielland accident was Norway's worst industrial accident and affected very many people. In 2019, the Storting requested the Office of the Auditor General to investigate how the authorities have fulfilled their responsibilities in connection with the accident in selected areas. The audit report was submitted to the Storting in spring 2021.

The audit attracted a great deal of attention. Among other things, we concluded that the authorities had been aware of several shortcomings in the regulations before the accident, without taking action. In addition, the

⁹ Follow-up of Document 3:10 (2016–2017) on archiving and transparency in the central government administration

surviving relatives of the people who died in the accident were not followed up, although it was well known that they needed assistance and follow-up. At the same time, we found no basis for recommending a new inquiry into the accident. We placed great emphasis on dialogue with representatives of the survivors and the surviving relatives during our work on the investigation.

The Office of the Auditor General receives many inquiries and requests for access from the media and other stakeholders. We attach great importance to transparency, openness and accessibility in the communication with people who contact us.

Our website, www.riksrevisjonen.no, is society's main source of information about our findings and recommendations and our social mission. The main reason for visits to our website is new audit reports. In 2021, we had 84,400 visits, compared with 66,500 in 2020. We also published more audit reports in 2021 than in 2020.

In 2021, the following audits were the most visited on our website:

- Investigation of health and care services for children with disabilities
- Investigation into the IT initiative One patient – one record: management and procurement
- Investigation into mental health services

These audits all identified potential for improvement in areas of the public administration that are of importance to the users of public services, and especially vulnerable groups.

4.1.2 Goal 2: The Office of the Auditor General conducts high-quality audits and controls

We assess the quality of our work based on the professional quality of our audits and investigations (product quality) and the quality of the process and the communication we have with staff in the audit entities (process quality).

Reviews indicate that our audits and controls are generally of high professional quality.

Product quality of our audits and investigations

Quality controls demonstrate that our audits and surveys are largely of high quality and comply with professional auditing guidelines and standards. Our quality assurance system (see section 5.1) ensures that our audits and investigations comply with international audit standards and meet the applicable requirements regarding independence, objectivity and professional discretionary assessment of findings and conclusions. Moreover, we work systematically to ensure continuous improvements.

In 2021, we implemented updated guidelines for all types of audits. This includes an improved quality assurance system.

The Office of the Auditor General conducts regular quality controls on all aspects of our audit work. The goal is to learn, develop and improve. In 2021, an external evaluation of selected performance audit reports was conducted for the second time by leading academics representing different universities

The evaluators were asked to assess whether the objectives and audit questions were sufficiently well founded, whether the analyses and presentations were good, whether there was a good correlation between audit criteria, analyses and assessments, and whether the report was easy to read, clear and balanced.

Overall, the feedback from the evaluators on the reports they reviewed was positive. The scope and thoroughness of the reports were highlighted as a particular strength, and the methods used and analyses were generally regarded as good.

At the same time, the external experts identified a number of possible areas for improvement. Greater clarity in both the derivation of audit criteria and argumentation in connection with conclusions and forms of criticism were highlighted as areas that could be improved. In addition, the way we handle conflicts between various goals and the companies' framework conditions in our audits was highlighted as a topic for internal discussion.

We welcome this very useful feedback. Work on following up the evaluation findings is underway and will continue through 2022.

Our development projects play a key role in ensuring higher quality in our products. We expect to introduce further improvements in 2022, including digital document production, seamless communication and better information management.

Process quality

One of our objectives is to be professional, open and user-oriented in our communication. In the user surveys, the audited organisations express their views on the audit process as well as the communication with the Office of the Auditor General. Despite challenging working conditions due to the COVID-19 pandemic, the feedback in 2021 was positive. The auditees report that they are satisfied with the auditing process.

Improved communication solutions have resulted in even smoother interaction. The work processes have become more efficient, with easier exchange of data with the public administration.

4.1.3 Goal 3: The Office of the Auditor General is an efficient organisation

One of the aims of the Office of the Auditor General is to be a well-managed organisation that conducts audits and controls expediently. This requires that we have the agility to adapt, and we give high priority to internal development work. Digitalisation and automation are top priorities. The number of full-time equivalents has gradually been reduced over the years, while production has remained at virtually the same level. A range of development measures have resulted in enhanced quality and more efficient use of resources. In addition, more coordinated portfolio management of the audit assignments has led to better prioritisations.

At year-end 2021, we have 11 ongoing development projects that will pave the way for further improvements in efficiency, including through more streamlined work processes. We expect gains in the form of higher quality, financial savings, and reduced use of time and resources, freeing up time and resources for other priority tasks.

Once these development projects are completed, they will be transferred to the line organisation, with the necessary adjustments, as appropriate. Two development projects were concluded in 2021. In addition to major updates to Document 1, we have simplified the work processes in connection with the preparation of the report. We have also developed and implemented a new solution for the secure exchange of data with auditees.

Our digital communication solutions have enabled production to largely continue as normal through two years of pandemic. Several of these solutions are results of our development work. For example, our ongoing seamless communication project has resulted in new meeting room facilities, allowing us to conduct more audit meetings and other tasks remotely. This will result in reduced travel, benefitting the employees through less work-related travel, which is often a burden, the environment by cutting our carbon footprint, and the bottom line through reduced travel expenses. Our goal is a 35 per cent reduction in travel expenses in 2024, compared with 2017.

Having good data as a basis on which to make decisions leads to higher quality and more efficient use of resources. In 2021, we have initiated a project to improve management information at various levels of the organisation.

Read more about the development work and some of our projects in section 4.3.

4.2 Audits and controls

4.2.1 Financial audits and control of the central government accounts

In 2021, we audited the accounts of 233 organisations for the 2020 financial year.

The accounts of most of the central government entities are well kept and orderly. Any minor errors we have detected have been corrected by means of advice and dialogue with the audited organisations before the accounts have been closed. A modified opinion is issued in the audit report if there are material errors or omissions in the accounts or it is not possible to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. In 2020, only the accounts of the Norwegian Armed Forces received a modified opinion relating to material errors or omissions in the accounts.

As a result of the COVID-19 pandemic, we have only audited parts of the annual financial statements of the Norwegian Armed Forces and the Norwegian Defence Materiel Agency for 2020. The conclusion for these organisations is therefore based on those parts of the financial statements that we have audited.

We have detected non-compliance with administrative regulations at two auditees. However, this has no bearing on our conclusion on the annual financial statements.

The central government accounts is a consolidated statement based on the financial statements of all the central government organisations. The control of the central government accounts is based on financial audits of the ministries and their subordinate entities, and audit processes covering the central government accounts themselves. In the declaration for 2020, we conclude that the central government accounts¹⁰ have been correctly prepared and presented. In other words, we find that they are in compliance with the principles of the Appropriations Regulations.

Financial audits, including control of the central government accounts, are our most resource-intensive area.

4.2.2 Annual corporate controls

In 2021, we inspected the ministerial exercise of authority in 12 ministries that exercise ownership rights. We have checked that general meetings and corporate meetings have been held and documented in compliance with laws, regulations and decisions in 51 wholly-owned private limited liability companies, 26 partly owned limited liability companies, one joint-stock liability company, six public limited liability companies (ASA), eight state enterprises, four regional health authorities, 15 student welfare organisations and a further six companies covered by special legislation. Many of the companies perform vital functions in society and are responsible for a significant part of the value creation in Norway.

The corporate control for the 2020 financial year has not found any major shortcomings in the exercise of ownership.

¹⁰ Report no. 3 to the Storting (2020–2021) (White Paper)

4.2.3 Performance audits and compliance audits

In 2021, we reported 20 investigations to the Storting, comprising 13 performance audits (including the management of the state's interests in companies) and seven compliance audits. Five of the investigations involve multiple ministries.

Investigations involving multiple ministries

The Storting has emphasised the importance of the Office of the Auditor General conducting investigations and assessing materiality and risk across the ministries. We are able to do this because we have unique access to information. In 2021, we reported the following five investigations involving multiple ministries to the Storting:

- Application-based grants in the face of the coronavirus outbreak in 2020
- The Svalbard companies' handling of climate challenges
- The authorities' work on the Alexander L. Kielland accident
- The authorities' work on export control of strategic goods
- Follow-up of the 2017 audit on archiving and transparency in the central government administration

At the beginning of 2022, we were working on a further nine audits involving multiple ministries:

- Green public procurements
- The authorities' work on adapting buildings and infrastructure to a changing climate
- The authorities' efforts to combat domestic violence
- Health, education and welfare services for prison inmates
- The authorities' supervision of cross-border transport of waste
- The authorities' work to ensure safe drinking water
- Pay and working conditions in connection with central government procurements
- Grants to organisations
- Abuse and inadequate control in the A-scheme

Performance audits

The following 13 performance audits have been completed and reported to the Storting in 2021:

Investigation:	Report to the Storting:
The authorities' work on export control of strategic goods (The Ministry of Foreign Affairs, the Ministry of Justice and Public Security and the Ministry of Finance)	Document 3:4 (2020–2021)
Police efforts against crime through the use of ICT (The Ministry of Justice and Public Security)	Document 3:5 (2020–2021)
The authorities' work on the Alexander L. Kielland accident (The Ministry of Trade, Industry and Fisheries, the Ministry of Labour and Social Affairs, the Ministry of Justice and Public Security and the Ministry of Health and Care Services)	Document 3:6 (2020–2021)
The Norwegian Water Resources and Energy Directorate's work on ICT security in the power supply (The Ministry of Petroleum and Energy)	Document 3:7 (2020–2021)
Reasons for long processing times in the processing of complaints and appeals by NAV and the National Insurance Court (The Ministry of Labour and Social Affairs)	Document 3:8 (2020–2021)

Clinical treatment studies in the hospital trusts (The Ministry of Health and Care Services)	Document 3:9 (2020–2021)
Mental health services (The Ministry of Health and Care Services)	Document 3:13 (2020–2021)
The IT initiative One patient – one record: management and procurement (The Ministry of Health and Care Services)	Document 3:14 (2020–2021)
Health and care services for children with disabilities (The Ministry of Health and Care Services)	Document 3:15 (2020–2021)
Investments in the hospital trusts' buildings and medical-technical equipment (The Ministry of Health and Care Services)	Document 3:2 (2021–2022)
The Svalbard companies' handling of climate challenges (The Ministry of Trade, Industry and Fisheries, the Ministry of Climate and Environment, the Ministry of Education and Research, the Ministry of Transport and Communications and the Ministry of Health and Care Services)	Document 3:2 (2021–2022)
Follow-up of the audit on archiving and transparency in the central government administration (The Ministry of Local Government and Modernisation, the Ministry of Justice and Public Security, the Ministry of Culture and the Office of the Prime Minister)	Document 3:3 (2021–2022)
Norway's support to the World Bank's trust funds (The Ministry of Foreign Affairs)	Document 3:4 (2021–2022)

At the beginning of 2022, we were working on a further 20 investigations:

- Green public procurements
- Achievement of goals and efficiency in the Norwegian Police Service
- The authorities' work on adapting buildings and infrastructure to a changing climate
- The Norwegian Armed Forces' systems for communication and information exchange in operations
- The authorities' efforts to combat domestic violence
- Health, education and welfare services for prison inmates
- The work by Norwegian universities and university colleges to improve the quality of education
- The authorities' supervision of cross-border transport of waste
- Administrative practices in the Norwegian Child Welfare Services
- The complaints process in the tax area
- Prioritisation of projects in the National Transport Plan (NTP)
- The authorities' work to ensure safe drinking water
- The authorities' responsibility for coordination of digital security
- Safety in the maritime industry
- The work on food security and emergency preparedness in the agricultural area
- Norway's humanitarian assistance in connection with the crisis in Syria
- Quality and efficiency in the operation and maintenance of the national road network
- Investinor's achievement of goals and investment practice
- The quality of the planning or assessment process in connection with the construction of new hospital buildings
- Use of IT systems in hospitals
- Enova's achievement of goals and management of the Climate and Energy Fund

Compliance audits

The following seven compliance audits have been completed and reported to the Storting in 2021:

Investigation:	Report to the Storting:
Application-based grants in the face of the virus outbreak in 2020 (The Ministry of Finance, the Ministry of Culture, the Ministry of Trade, Industry and Fisheries)	Document 3:10 (2020–2021)
Allocations to NAV for measures during the COVID-19 pandemic (The Ministry of Labour and Social Affairs)	Document 3:11 (2020–2021)
The Ministry of Foreign Affairs' allocation of grants to the International Peace Institute (IPI) (The Ministry of Foreign Affairs)	Document 3:12 (2020–2021)
Significant delays with the new registry platform in the Brønnøysund Register Centre and continued shortcomings in information security (The Ministry of Trade, Industry and Fisheries)	Document 1 (2021–2022)
The Ministry of Finance and the Norwegian Tax Administration do not take sufficient steps to ensure compliance with the regulations for VAT compensation and that the compensation is paid out correctly (The Ministry of Finance)	Document 1 (2021–2022)
The higher education sector is not doing enough to ensure that research is conducted in accordance with research-ethical norms and rules (The Ministry of Education and Research)	Document 1 (2021–2022)
Shortcomings in universities and university colleges' the budgeting and documentation of costs in sponsored and commissioned projects (The Ministry of Education and Research)	Document 1 (2021–2022)

At the beginning of 2022, we were working on a further eight audits:

- The Storting's financial arrangements for MPs
- Pay and working conditions in connection with central government procurements
- Grants to organisations
- Abuse and inadequate control in the A-scheme
- NAV's control of benefits related to COVID-19
- Incorrect repayment of withholding tax on dividends to foreign shareholders
- The Norwegian Directorate of Health's sanctioning of health care providers
- Environmental measures to reduce pollution from abandoned mines

4.3 Development work

We have many development projects under way that individually and in aggregate will help ensure we develop in line with the objectives set out in our strategic plan. Digitalisation and automation are central pillars in the work to enhance quality and improve the efficiency of our work processes. Among other things, we have an innovation lab that supports this work. Much of the development work also consists in our adopting innovative methods and new technology to conduct the audit processes.

4.3.1 Modernisation programme

In 2017, we established a modernisation programme to ensure systematic management of the development work in the strategy period. The programme is an important instrument to achieve the goals of our strategic plan. The purpose of the programme is to help ensure that the development measures yield gains.

The modernisation programme consists of major development measures within the focus areas for our development work: *social mission, organisation and management, infrastructure and technology, professional expertise and communication*.

The focus areas are reflected in our most important development projects:

Digitalisation of reports

The project aims to make the Office of the Auditor General's products more user-friendly so that they convey the message more clearly to our priority target groups. The project will make our reports and documents more reader-friendly and better adapted for on-screen reading. We will also facilitate the increased use of visual and graphical elements. All our audit reports are now only published digitally. From 2021, most of our documents were produced internally, without assistance from external resources.

Information management programme

Information management comprises the collection, processing, storage, retrieval, reuse and sharing of information. The programme consists of measures to build a new, future-proof foundation for information management in the Office of the Auditor General. This will affect all our work processes. The programme coordinates the implementation and follow-up of measures that have closely related purposes and that clearly depend on each other. The purpose of the measures in the programme is to strengthen most of our strategic focus areas for the development work. At the end of 2021, this concerned the following measures:

- Implementation of new digital communication solutions for internal use and for meetings with auditees and other external parties
- Development of a new data platform for the Office of the Auditor General, enabling secure exchange, receipt and storage of data and further processing of the data
- Development of new methods and mapping of the possibilities for greater automation in our financial audits (pilot project)

The new digital communication solutions developed through several of these measures have meant our production could largely continue as normal during the COVID-19 pandemic.

Handling of classified information

We have initiated a project to increase our capacity to handle classified information in accordance with requirements of the National Security Act and the Regulations relating to the protective security work of undertakings (the Security of Undertakings Regulations). A secondary goal is to improve the efficiency of audits and investigations in which we handle classified information. This project is part of our infrastructure and technology focus area and is expected to be concluded in 2022.

Management information

We have initiated a project to improve and systematise management information in the organisation. The project is part of the organisation and management focus area and is expected to contribute to improved efficiency in the organisation.

4.3.2 Other key development measures

In addition to the measures in the modernisation programme, we also have a number of other development measures of varying magnitude. We have several competence-development initiatives aimed at improving internal work processes and technical solutions. For example, we have initiated a project that will make it easier for us to analyse large volumes of data from audited organisations. This is expected to result in higher quality and better security in audits, in addition to more efficient use of resources.

As a result of the lessons learned during the COVID-19 pandemic, we have now started work to adapt to a more flexible way of working post-pandemic. In 2022, we will test out various solutions for flexible use of our offices in Oslo. In addition, we will make further arrangements to enable hybrid meetings, where some people attend in person and others attend online.

4.4 International engagement

Fact box 5 The purpose of our international engagement

The Office of the Auditor General's international engagement has two main objectives:

- We will ensure learning and development through professional dialogue. Sharing experiences and knowledge are fundamental for the development of our own business.
- We will strengthen the standing of public auditing internationally, primarily by providing professional support to supreme audit institutions in developing countries and by working as an external auditor for international organisations.

In 2021, most of our international activities were conducted digitally as a result of the COVID-19 pandemic. This has resulted in a decline in use of internal resources for international activities.

4.4.1 Development of public auditing internationally

Internationally, most of the development work on public auditing is done through INTOSAI¹¹, the global umbrella organisation for supreme audit institutions. The organisation is responsible for developing professional standards for public auditing and a common international framework for public auditing.

Through INTOSAI, we collaborate with supreme audit institutions that are at the forefront in areas such as data analysis and visualisation, as well as the use and auditing of machine learning algorithms and artificial intelligence.

The Office of the Auditor General of Norway contributes to INTOSAI in a number of ways. In 2021, we have again headed the overarching coordinating body for the further development of international standards for public auditing and the committee responsible for developing standards for performance auditing.

We also sit on a number of other INTOSAI committees and working groups that are particularly relevant to our work. Collaboration with the other Nordic supreme audit institutions remains a priority. The pandemic-related audits were an important topic at the 2021 meeting of the Nordic Auditors General, and experiences with quality assurance systems and international peer reviews were shared.

¹¹ International Organization of Supreme Audit Institutions

4.4.2 Professional support to partner institutions

The Office of the Auditor General of Norway assists partner institutions in developing countries and new democracies with the objective of ensuring independent and effective supreme audit institutions in order to improve the administration of public resources. This promotes Norway's foreign and development policy objectives by contributing to the development of good governance and combating corruption, at the same time as it aligns with the objectives of UN Sustainable Development Goal 16 (peace, justice and strong institutions).

An underlying principle for our international development work is that we assist supreme audit institutions in ongoing processes relevant to their work and mandate. Our greatest strength in this effort is that we can provide a broad range of expertise and are flexible in our approach. We attach importance to having an active presence and long-term perspective and use only our own employees.

In 2021, we have continued to collaborate with the supreme audit institutions in Zambia, Sierra Leone and Uganda. In Albania, a pilot project has been started with the Albanian SAI with opportunities for broader collaboration.

The Office of the Auditor General has collaborated with the supreme audit institutions in South Sudan, Namibia and Madagascar through country-specific projects coordinated by the INTOSAI Development Initiative.

Fact box 6 INTOSAI Development Initiative

The Office of the Auditor General of Norway hosts the INTOSAI Development Initiative (IDI) – an organisation that works to develop and support supreme audit institutions in developing countries. The IDI helps increase capacity in more than 140 supreme audit institutions through a range of development programmes. The Auditor General of Norway is chair of the IDI Board, and we take part in staff exchanges.

There is more information about the IDI in Appendix 4.

Source: Office of the Auditor General of Norway

We have also continued our work to ensure regional anchoring via our close collaboration with AFROSAI-E¹², which is headquartered in South Africa.

Through our collaboration, we aim to contribute to the development of strategies, methods and plans to strengthen the institutions. We provide support on a variety of audit topics, including IT auditing, resource management and environmental auditing.

There is growing demand for IT auditing and use of data in different types of audits. Our IT auditing team has expertise and capacity that we share internationally. We do this by building capacity in our partner supreme audit institutions to enable them to include IT auditing in their audits.

In developing countries with large reserves of natural resources, oil, gas and minerals are an important source of income. At the same time, corruption and irregularities often pose a threat. The Office of the

¹² African Organization of English-speaking Supreme Audit Institutions

Auditor General has chosen to focus on providing assistance to audits of the extractive industry in order to promote good management of the extraction of natural resources based on transparency and accountability.



Photo: Kyle Glenn / Unsplash

Strong supreme audit institutions will contribute to better transparency and accountability, as well as ensuring that authorities manage the natural resources in a way that benefits the entire population.

We are currently involved in developing projects of this nature in Uganda, South Sudan and AFROSAI-E. Uganda is planning to start extracting oil in the next few years and will become one of the largest oil producers in East Africa. The Ugandan authorities need a major boost in expertise in addressing the environmental challenges this will entail.

Supreme audit institutions need to have a clear mandate, robust internal governance structures and good support functions to be able to reap the full benefits of strong auditing expertise. In view of this, we now support more supreme audit institutions with internal evaluations and strategic planning. We often do this in collaboration with the INTOSAI Donor Initiative, as was the case in Albania and Namibia.

Evaluation of the collaboration with the Office of the Auditor General of Zambia

The Office of the Auditor General of Norway has been collaborating with the Office of the Auditor General of Zambia for more than 25 years. The collaboration was evaluated by Oslo Economics in 2021. They analysed the period 2015 to 2020 and concluded that the collaboration has helped strengthen the Office of the Auditor General of Zambia. The evaluation shows that:

- institutional collaboration is a highly cost-effective way of providing capacity development assistance at sister organisations
- The Office of the Auditor General of Norway has contributed to a significant improvement in the auditing of the mining sector and the security of the Zambian state's IT systems

Some parts of the project had lower achievement of goals, primarily due to the failure to appoint a new Zambian Auditor General, lack of funding and high staff turnover there. The challenges in Zambia are often found in many other countries and demonstrate the importance of providing long-term support to key institutions in the public administration. The central role of supreme audit institutions means that even small institutional improvements can have a profound impact in society.

Supreme audit institutions' independence

Democracy and the independence of the supreme audit institutions are under pressure in several of our partner countries. Following the military coup in Myanmar in 2021, a new Auditor General was appointed by the coup-makers. We therefore had to terminate our collaboration with this supreme audit institution. In Sierra Leone, the Auditor General has been removed by the president. Local and international sources report that the Audit Service Sierra Leone (ASSL) was critical of the president's management of public funds.

Costs of our development cooperation

We reported around NOK 8.2 million to OECD-DAC¹³ in 2021, compared with NOK 8.3 million in 2020 and NOK 15 million in 2019. The reduction is due to lower activity as a result of the COVID-19 pandemic. The figure includes our development collaboration costs, which consist of the direct costs and the payroll costs of the staff involved.

4.4.3 Peer reviews

In 2021, we headed a Nordic team that carried out a peer review of the Danish supreme audit institution Rigsrevisionen. The final report was submitted to the client in December. In 2022, we will undertake a similar review of the Swedish National Audit Office. In addition, the start-up of a review of the U.S. Government Accountability Office is being planned.

4.4.4 Audit of international organisations

The Office of the Auditor General wishes to contribute to greater transparency and better administration in international organisations of which Norway is a member. We conduct external audit assignments for international organisations and are represented on the audit boards of a number of organisations.

In 2021, we chaired the EFTA Board of Auditors, and we are the external auditor for the European Centre for Medium-Range Weather Forecasts. In addition, we are represented on the audit boards of the European Patent Office, the European Space Agency, the Organisation for Economic Co-operation and Development and EUROCONTROL.

The EU Interreg programme aims to promote social and economic integration across national borders through regional cooperation. As a control member, we have also conducted audits on Interreg programmes in 2021¹⁴.

4.4.5 Collaboration with the EFTA Surveillance Authority

We have a Memorandum of Understanding regarding cooperation with the EFTA Surveillance Authority (ESA), which was signed in 2020. We exchange experience through meetings, competence-development initiatives and exchange programmes. In 2022, an employee of the ESA will do an exchange internship at the Office of the Auditor General.

¹³ The OECD's Development Assistance Committee

¹⁴ The programme period expired in 2020, but as a result of delays, the audits will continue until 2023/2024

5 Quality assurance and management

5.1 The quality assurance system

The Office of the Auditor General's quality assurance system is based on the International Standards of Supreme Audit Institutions (ISSAI 140). The system covers leadership, ethics, skills, performance of tasks and monitoring of the organisation. The Office of the Auditor General's governing documents are easily accessible, and we maintain a strong focus on ensuring that we have:

- clear requirements and work criteria
- an overview of the factors that affect our ability and opportunity to carry out the work in line with the stipulated requirements and criteria
- systematic processes for the planning, implementation, quality control and reporting of all auditing and controls
- a systematic approach to monitoring, learning and improvement

Our quality assurance system is constantly developing. Key elements include guidelines for auditing and control work, our code of conduct, responsibility and authority structures, risk management, management of a portfolio of auditing and development tasks, auditing and support systems, and organisational culture.

5.2 Planning and follow-up

5.2.1 Strategic plan



Photo: Jametlene Reskp / Unsplash

Our current strategic plan applies to the period 2018–2024.

Our vision “Auditing to benefit the society of tomorrow” determines our three main goals and other strategies.

5.2.2 Annual performance plan

The strategic plan is operationalised through our annual performance plan, which is based on the organisation's resources and budget. Within this framework, we set overall priorities for our auditing, international work and development work as well as professional and administrative support.

The annual performance plan is based on analysis work performed to identify and prioritise new auditing tasks. We also assess which are the most important risk areas internally within the Office of the Auditor General to determine which development measures and other measures and expectations to include in the annual performance plan. The annual performance plan is then translated into concrete actions through departmental plans and management contracts.

We evaluate our performance and achievement of goals based on good governance practice. We do this based on a defined set of sources of information, which together enable the management and Board of Auditors General to assess whether the organisation's results are satisfactory or whether measures are

necessary to improve achievement of goals. Conducted annually, these performance assessments form the basis of our internal analysis of operational risk.

5.2.3 Operational management

Operational management aims to ensure sound implementation and good ongoing prioritisation of tasks. Operational management is largely achieved through portfolio management systems that provide a collective basis upon which to evaluate whether there is appropriate progress, staffing levels and implementation of risk management for the tasks. We also assess whether the combined available resources are being prioritised appropriately.

The Office of the Auditor General uses an electronic management information system to allocate and report the use of resources for auditing and administrative tasks on an annual basis. Historical figures from this system also provide a basis for more accurate resource estimates for the planning of similar tasks in the future.

Furthermore, operational management aims to ensure that we manage resources and tasks in a sound and prudent manner and comply with the relevant laws and regulations in our ongoing work.

5.3 Expertise, working environment and equality

The Office of the Auditor General is committed to having a good working environment and being an attractive workplace. We offer a high degree of flexibility and monitor trends in society that may have a bearing on our role as an employer.

5.3.1 Professional development

The Office of the Auditor General is an organisation of skilled experts, where our employees are our most important assets. We attach great importance to skills development. New skills are primarily learned through practical experience at work, supplemented by a variety of competence-raising measures. Grants are available and leave is granted so that employees can pursue relevant full-time or part-time studies to ensure that the Office of the Auditor General's staff are qualified to meet future needs. Staff also attend a range of courses as part of their professional development.

5.3.2 Life phase policy

Our life phase policy is part of our HR policy and is based on guidelines for the central government as an employer and the objectives in the Inclusive Workplace Agreement (IA).

The Office of the Auditor General aims to be an attractive workplace for employees in all phases of their career, and we make every effort to ensure that more people can have a longer working life. Our life phase policy focuses on individually tailored measures adapted to each person's circumstances or life phase, focusing on employees' opportunities rather than their limitations. We accommodate the needs of employees who require physical adaptation of their workplace.

5.3.3 Cooperation and co-determination

A good working environment is one of our priorities, and we ensure that employee representatives and safety delegates can attend to their duties satisfactorily. This helps improve processes and provide a better decision-making basis.

The labour organisations and office management meet regularly in the Information, Discussion and Negotiation Committee to discuss issues in accordance with the Basic Agreement and the Basic Collective Agreement. In our view, the communication between the management, the staff and their representatives is excellent.

We have an active Working Environment Committee that helps ensure that the Office of the Auditor General has a good working environment. The local safety delegates safeguard the interests of employees on issues concerning the working environment in each department.

5.3.4 Diversity, sickness absence and non-discrimination

The Office of the Auditor General aims to be a diverse organisation. We have an online recruitment tool that provides applicants with an immigrant background or disability with the opportunity to request a special assessment of their application.

Together with the working environment committee, safety delegates and the occupational health service, we pay great attention to follow-up of sickness absence, collaborating to prevent sickness absence and ensure a good working environment.

Sickness absence in 2021 was 5.37 per cent (of the total number of full-time equivalents), compared with 3.78 per cent in 2020 and 4.5 per cent in 2019. There has been an increase in long-term sickness absence in 2021.

No accidents or injuries were reported in 2021.

The use of overtime has also been the subject of particular attention. We are working systematically to improve our internal control, enhance training and develop better systems to support and ensure compliance with the provisions of the Working Environment Act.

The guidelines for reporting matters worthy of criticism were revised in 2019.

A total of 58 per cent of the employees in the Office of the Auditor General are women. In the middle management category, the target of at least 40 per cent representation of both genders has been met, while less than 40 per cent of the employees in the senior management category are women. In the other position categories, the percentage of men is less than 40 per cent.

Gender representation in the various position categories:

Position category:	Women (%)	Men (%)
<i>(Position codes from the Norwegian State Salary Scale)</i>		
Senior executives:	37.5	62.5
<i>9146 – Director General</i>		
<i>9208 – Secretary General</i>		
Middle managers:	48.7	51.3
<i>1218 – Deputy Director General</i>		

Senior case processing positions:	58.5	41.5
<i>1217 – Assistant Director</i>		
<i>1220 – Special Adviser</i>		
<i>1364 – Senior Adviser</i>		
<i>1515 – Senior Librarian</i>		
Other case processing positions:	62.9	37.1
<i>1363 – Senior Consultant</i>		
<i>1408 – Higher Executive Officer</i>		
<i>1436 – Adviser</i>		
Other positions:	62.5	37.5
<i>1065 – Consultant</i>		
<i>1130 – Cleaner</i>		
<i>1136 – Operating technician</i>		
<i>1203 – Skilled worker with trade certification</i>		

There are no gender-based pay differences between men and women at the Office of the Auditor General.

At the senior management level (Director General), the average pay for women is marginally lower than for men, but at the middle management level (Deputy Director General), women earn marginally more than men.

In senior case processing positions, the pay gap between women and men is less than 1 per cent across all position codes, except for Special Adviser. In other case processing positions, the pay gap is negligible. For some position codes, there are too few employees for a relevant comparison, or there are only women or men in the position code.

There are no involuntary part-time positions in the Office of the Auditor General. All our positions are advertised as full-time positions, but we facilitate part-time work when a member of staff requests it. At the close of 2021, 28 employees were on partial leave or were working reduced hours. Of these, 23 were women. During 2021, 21 women and 5 men took parental leave. The women took a total of 344 weeks of parental leave, and the men took a total of 62 weeks of leave.

5.4 Sustainability

We maintain a particular focus on areas such as energy consumption, procurements and travel.



Our head office in Oslo.
Photo: Ilja Hendel / Office of the Auditor General

Our head office has environmental certification of “Very good” according to the BREEAM NOR standard. The building is in energy class A and has systems that regulate heating and ventilation 24 hours a day and that automatically turn off lights in rooms where there is no activity.

We stipulate environmental requirements in our procurements. For example, our office furniture has been manufactured in accordance with eco-friendly criteria, our office supplies bear the Nordic Swan label, and our IT equipment is energy efficient. From 2020, our reports will only be published digitally.

The Office of the Auditor General aims to reduce the number of travel days, air travel and greenhouse gas emissions in the coming years, in line with the UN Sustainable Development Goals. Like last year, travel activity was once again significantly reduced in 2021 due to the COVID-19 pandemic. At the same time, new digital solutions for communication and interaction, both internal and external, were introduced.

We are working to further improve our communication solutions to achieve even smoother collaboration, lower travel costs and a smaller carbon footprint. In 2021, new, stricter guidelines for work-related travel were adopted, including a requirement that virtual meetings must always be considered as an alternative. However, audits of organisations all over the country, our international engagements and our regional presence make a certain amount of travel necessary.

6 Outlook to the future

The Office of the Auditor General's vision is that we will benefit the society of *tomorrow*. Norway is currently facing a number of major challenges related to, among others, climate change, an ageing population and declining government revenues from the oil industry. This places new and higher demands on the public administration. The Office of the Auditor General aims to provide current and relevant audits. This means that we must prioritise which areas we investigate in line with the developments in society.

The Board of Auditors General has decided that we will give priority to the following areas in the coming period:

- changes required in society to meet the climate challenges
- civil protection and emergency preparedness, including IT security
- improvement of the public sector, including digitalisation
- safeguarding of vulnerable groups
- factors that are of particular significance to society's access to resources
- factors that are of particular significance to society's use of resources

We will profile the work we do in the areas of climate change and improvements in the public sector more clearly and consider using topic-based reports and cross-sector reports.

Audits on topics that have a high level of risk, materiality, currency and relevance can always be carried out, regardless of the areas that have been defined as priorities in plans.

In view of the growing needs for services that come with an ageing population, publicly funded welfare services may become even more important. At the same time, the increased expenditure on both health and care services and pensions will entail growing challenges in respect of funding. In addition, a smaller proportion of the population will be occupationally active. This will exacerbate the need for public services to make optimum use of their resources.

The Auditor General plays an important role in the work to improve and restructure the public sector. We want to increase our dialogue with the public administration in order to better understand their unique position and needs. The ultimate goal is always to contribute to the development of the public administration, for example, by attaching greater importance to providing advice and guidance. We must therefore strike a balance between our auditing work on the one hand and our consultancy work aimed at improving public sector activities on the other. This is very demanding, both in terms of our competencies, and in terms of how we communicate our findings, conclusions and recommendations. We will therefore give priority to further developing competencies within the organisation and recruiting new expertise where necessary. To succeed, we must be an attractive employer that is responsive to our employees' needs, while at the same time continuing to develop and improve at a high pace.

The Storting has initiated work to consider a new Act relating to the activities of the Office of the Auditor General. Updated legislation is important for us to be able to perform our tasks in line with the Storting's wishes.

7 Budget and financial statements 2021

The financial statements of the Office of the Auditor General are audited by PwC, on appointment by the Presidium of the Storting. We have received a clean audit report for the accounting for 2021. The financial statements, with notes and the auditor's report, have been submitted to the Presidium of the Storting.

Budget and cash accounts for 2021 (in NOK thousands):

Chapter	Item	Financial statements 2020	Budget 2021	Financial statements 2021	
0051	Office of the Auditor General				
	01	Operating expenses	528 929	587 381	527 772
	75	Grants, international organisations and networks	27 000	27 900	27 900
		Total recognised expenses	555 929	555 929	555 672
3051	Office of the Auditor General				
	01	Refunds	2 034	2 000	1 948
	02	Refunds abroad	1 038	300	846
		Total recognised income	3 073	2 300	2 794
		Full-time equivalent hours worked	429		414

There is now a common definition of "full-time equivalent hours worked" in the central government. The report for full-time equivalent hours worked measures resource input in the number of full-time equivalent hours actually worked.

The trend in full-time equivalent hours worked in the Office of the Auditor General:

2016	2017	2018	2019	2020	2021
456	441	430	439	429	414

The reduction in full-time equivalent hours worked from 2020 to 2021 partly reflects the planned staff cutbacks and is partly due to fewer hours worked due to higher sickness absence in 2021.

7.1 Executive salaries

The salary of the Chair of the Board of Auditors General is determined by the Storting and was NOK 1,594,653 in 2021. The salaries of the Secretary General and Directors General are in line with the central government's system for the remuneration of senior executives. The system is intended to promote better achievement of goals, boost results and performance, and facilitate good leadership.

The Office of the Auditor General uses the system's salary band E for the Secretary General, which covers the salary range from NOK 1.2 million to NOK 2 million. In 2021, the annual salary of the Secretary General was NOK 1,808,636.

The Directors General are in salary band C, which covers the salary range from NOK 1 million to NOK 1.6 million. In 2021, the annual salary for the Directors General ranged between NOK 1,464,903 and NOK 1,526,730. The average salary was NOK 1,491,400.

7.2 Under-utilisation of the budget

The expenditure under chapter 0051 in the central government accounts shows an under-utilisation of NOK 59.6 million in 2021.

Most of this large under-utilisation can be attributed to the COVID-19 pandemic with changing infection control measures, resulting in unpredictability in the planning of the work throughout 2021. Many of the projects that had been postponed from 2020 could not be carried out in 2021 either. At the same time, several of the new measures that were scheduled to be implemented in 2021 also had to be postponed. In addition, there was a sharp reduction in travel as a result of the travel restrictions. Reimbursements from NAV due to increased sickness absence have also contributed to the under-utilisation.

Pursuant to section 5 of the Appropriations Regulations, government entities may transfer up to 5 per cent of their annual appropriation to the following year. For the Office of the Auditor General, this amounts to NOK 28.1 million, which we have applied to transfer to 2022. The money will be spent to cover costs in a number of development projects that have been initiated at the beginning of 2022.

Appendices

Appendix 1:

Management comments on the annual financial statements 2021

Management comments on the annual accounts 2021

Purpose

The duties of the Auditor General are stipulated in Article 75 (k) of the Norwegian Constitution, Act no. 21 of 7 May 2004 relating to the Office of the Auditor General, and the instructions of 11 March 2004 concerning the activities of the Auditor General.

The Office of the Auditor General shall ensure, through auditing, monitoring and guidance:

- that the state's revenues are paid as intended, and
- that the state's resources and assets are used and administered in a sound financial manner and in keeping with the decisions and intentions of the Storting.

Confirmation

The annual accounts have been prepared and are presented in accordance with provisions on financial management in the central government and circulars issued by the Ministry of Finance. The accounts provide a true and fair picture of the Office of the Auditor General's disposable government appropriations, recognised expenses, revenues, assets and liabilities.

The Office of the Auditor General prepares its business accounts in accordance with the Norwegian Central Government Accounting Standards (SRS). The Office of the Auditor General of Norway is audited by PwC. The auditor's report is attached to the Office of the Auditor General's annual report for 2021.

Comments on significant issues

Appropriations reporting

The expenditure under chapter 0051 in the central government accounts shows an under-utilisation of NOK 59.6 million in 2021. This is mainly attributable to lower levels of activity during the pandemic. There has been significantly less travel in 2021 than normal. In addition, we have spent less on courses and competence-raising initiatives than planned, since many of the training events have been held digitally or postponed. We had a lower level of consultancy services and investments in IT equipment than planned, due to delays in development projects in 2021. In addition, increased sickness absence and the appurtenant reimbursements from NAV have contributed to the under-utilisation.

In 2021, the Auditor General was authorised to have additional income under chapter 3051 item 01 "Refunds abroad". This has not been utilised in 2021.

The Office of the Auditor General has applied to transfer NOK 28.1 million kroner to 2022. This funding will be used to cover costs related to a number of development projects in 2022 that are already under way. These projects are part of a major modernisation programme that will last until 2024 and will also require investments in the future.

Business accounts (SRS)

Assets

At 31 December 2021, the Office of the Auditor General's fixed assets were valued at NOK 25.5 million, down NOK 10 million from year-end 2020. In 2021, we have invested less in new assets than the depreciation figures might imply. The reason for this is an increase in use of software subscriptions, as opposed to purchasing software licences. We also have given priority to providing our employees with good work-from-home solutions over upgrading equipment at the head office. In addition, there have been pandemic-related delays in deliveries of IT equipment.

Personnel costs

The balance sheet shows NOK 22.5 million in other debts to employees, compared with NOK 21.3 million in 2021. Payroll expenses include ongoing provisions for holiday pay, annual premiums to the Norwegian Public Service Pension Fund (SPK) and provisions for employer's National Insurance contributions. Variable payroll expenses are recognised in the period in which the expenses are incurred by accruing flexitime, overtime and transferred days of annual leave.

In 2021, payroll expenses amounted to NOK 422.6 million, which is an increase of 0.5% compared with 31 December 2020. Pay and holiday pay have risen by NOK 4.9 million, compared with 2020. At the same time, there has been a slight decline in expenses related to employer's National Insurance contributions, pension premiums, and other benefits. In addition, we have received NOK 2.8 million more in refunds this year, compared with 2020.

In 2021, the Office of the Auditor General had 414 full-time equivalents, down 15 compared with 2020. This is partly attributable to higher sickness absence and a planned downsizing process.

From 1 January 2018, the Office of the Auditor General pays a pension premium to the Norwegian Public Service Pension Fund (SPK) for all its employees. For 2021, the employer's share of the pension premium is 12 per cent. The rates for 2021 are unchanged from 2020.

Other operating expenses

Other operating expenses amounted to NOK 102.5 million in 2021, which is an increase of 4.7% compared with 2020.

The largest item, rent and operation of premises, amounted to NOK 63.4 million in 2021, which is a reduction of NOK 950,000 compared with 2020. Maintenance expenses for our premises have declined, due to more people working from home during the pandemic.

In 2021, expenses related to the use of consultancy services amounted to NOK 6.9 million, down 2% compared with 2020. This is largely attributable to delays in our ICT projects.

Purchase of external services amounted to NOK 9.9 million in 2021. This is an increase of NOK 3.7 million (59.4%) from 2020. The Office of the Auditor General buys payroll and accounting services from the Norwegian Agency for Public and Financial Management (DFØ), in addition to operational tasks and services linked to ICT. The increase in 2021 is mainly due to the fact that we have bought services for the design of a new security project that was approved in 2020.

In 2021, travel and per diem expenses amounted to NOK 3.1 million. This is a reduction of NOK 1.2 million (27.1%) compared with 2020, and much lower than normal. The decline is attributable to the travel restrictions that were in place throughout most of 2021 due to the pandemic, whereas in 2020 there was full activity until 12 March.

Other operating expenses relate to meetings, courses and training, office and computer supplies and

telephony, among other things. This item shows an increase of NOK 3.7 million, from NOK 6.7 million in 2020 to NOK 10.4 million in 2021. This increase is related to departmental gatherings, new continuing education for OAGN auditors, and the purchase of computer supplies, among other things.

A provision of NOK 245,000 has been made during the financial year to meet the obligation to return the building to its original condition on vacation of the premises when the lease expires. The same amount will be set aside each year during the lease period.

Grants

In 2021, the Office of the Auditor General disbursed NOK 27.9 million in grant funding to the INTOSAI Development Initiative, in line with the Storting's conditions.

Other transfers

The INTOSAI Development Initiative has repaid NOK 6 million of the grant for 2020 due to reduced travel expenses during the pandemic. This sum has been recognised as miscellaneous income.

Income

Total operating income in 2021 amounted to NOK 539.4 million.

It comprises an appropriation from the government of NOK 536.6 million and sales and rental income amounting to NOK 2.8 million. The sales and rental income relates to international audit assignments and the leasing of office space to the INTOSAI Development Initiative and is unchanged from 2020.

The operating appropriation has been recognised in line with the expenses, such that the income statement results in an operating profit of NOK 0.

Oslo, Norway

[signature]

Karl Eirik Schjøtt-Pedersen

Appendix 2:

Annual Report of the Office of the Auditor General 2021

Annual financial statements 2021

Office of the Auditor General

Org. no. 974 760 843

Office address: Storgata 16, Oslo

Note on general accounting policies for the annual financial statements

- policies for reporting by appropriations and reporting by general ledger accounts

The annual financial statements for central government entities have been prepared and presented in accordance with the detailed guidelines set out in the Provisions on Financial Management in Central Government (“the Provisions”). The annual financial statements comply with the requirements of section 3.4.1 of the Provisions, detailed provisions stipulated in the Ministry of Finance’s circular R-115 of December 2019, and any supplementary requirements defined by the competent ministry.

The statements on the reporting by appropriations and reporting by general ledger accounts have been prepared in accordance with the guidelines in section 3.4.2 of the Provisions – Fundamental policies for annual financial statements:

- a) The financial statements follow the calendar year
- b) The financial statements include all reported expenses and income for the financial year
- c) Expenses and income are recognised in the financial statements as gross amounts
- d) The financial statements have been prepared in accordance with the cash basis

The statements on the reporting by appropriations and reporting by general ledger accounts were prepared using the same accounting policies, but are grouped according to different charts of accounts. The accounting policies correspond to the requirements in section 3.5 of the Provisions describing how central government entities are to report to the central government accounts. The total line “*Net amount reported to the appropriation account*” is identical in both reports.

The Office of the Auditor General is a member of the government’s group account scheme with Norges Bank in accordance with the requirements in section 3.7.1 of the Provisions. Gross-budgeted entities do not receive liquidity throughout the year, but have drawing rights on their group account. At the end of the year, the balance of each settlement account is reset to zero.

Appropriations reporting

The appropriations reporting statement consists of an upper section showing the government appropriations and a lower section showing the holdings listed for the Office of the Auditor General in the capital accounts. The appropriations reporting shows accounting figures that the Office of the Auditor General has reported to the central government accounts. It is presented according to the chapters and items in the appropriations accounts that the Office of the Auditor General has been authorised to use. The column “Total appropriation” shows the amount the Office of the Auditor General has been granted in the letter of allocation for each government account (chapter/item). In addition, the statement shows all financial assets and liabilities listed for the Office of the Auditor General in the central government capital accounts.

Received authorisations to debit another entity’s chapter/item (debit authorisations) are not shown in the column for the total appropriation, but are described in Note B to the statement on government appropriations. Expenses related to received debit authorisations are recognised and reported to the central government accounts and are shown in the column for accounts.

Granted debit authorisations are included in the column for total appropriations, but are not recognised or reported to the central government accounts by the Office of the Auditor General. Granted debit authorisations are recognised and reported by the entity that has received the debit authorisation and are therefore not shown in the column for accounts. The granted authorisations are listed in Note B to the appropriations statement.

Account reporting

The account reporting statement consists of an upper section showing what is reported to the central government accounts in accordance with the standard chart of accounts for central government entities and a lower section showing assets and liabilities included in the outstanding accounts with the Treasury. The account reporting shows accounting figures that the Office of the Auditor General has reported to the central government accounts according to the standard chart of accounts for central government entities. The Office of the Auditor General has

drawing rights on a group account with Norges Bank. The appropriations are not recognised as income and are therefore not shown as income in the statement.

Appropriations reporting statement at 31 December 2021							
Expense chapter	Chapter name	Item	Item text	Note	Total appropriation*	Financial statements 2021	Additional expenditure (-) and reduced expenditure
0051	Office of the Auditor General – operating expenses	01	Operating expenses		587 381 000	527 771 907	59 609 093
0051	Grants, international organisations and networks	75	Grants		27 900 000	27 900 000	0
1633	Net recognition scheme for VAT in the state	01	Operating expenses		0	8 952 503	
Total recognised expenses					615 281 000	564 624 410	
Income chapter	Chapter name	Item	Item text		Total appropriation*	Financial statements 2021	Additional income and lower income(-)
3051	Refunds in Norway	01			2 000 000	1 948 160	-51 840
3051	Refunds from audits abroad	02			300 000	845 874	545 874
5309	Miscellaneous income	29	Miscellaneous		0	6 611 666	
5700	National Insurance scheme revenues	72	Employer's National Insurance contributions		0	50 924 016	
Total recognised income					2 300 000	60 329 716	
<i>Net amount reported to the appropriations account</i>						504 294 694	
Capital accounts							
60086101	Norges Bank capital account deposits					23 297 922	
60086102	Norges Bank capital account withdrawals					-526 510 055	
700050	Change in outstanding accounts with the Treasury					-1 082 561	
Total reported						0	
Holdings reported to the capital accounts (31.12.2021)							
Account	Text				31.12.2021	31.12.2020	Change
700050	Outstanding accounts with the Treasury				-16 002 935	-14 920 374	-1 082 561

* The total appropriation must not be reduced by any debit authorisations granted (applies to both expense chapters and income chapters). See note B *Explanation for authorisations used and calculation of possible transferable amount to the next year* for a more detailed explanation.

Note A Explanation of total allocation of expenses			
Chapter and item	Transferred from last year	This year's government appropriation	Total government appropriation
0051 01	25 613 000	561 768 000	587 381 000
0051 75		27 900 000	27 900 000

Note B Explanation for authorisations used and calculation of possible transferable amount to the next year										
Chapter and item	Key words	Additional expenditure(-)/reduced expenditure	Expensed by others in accordance with granted debit authorisations (-)	Additional expenditure(-)/reduced expenditure in accordance with granted debit authorisations	Additional income / reduced income(-) in accordance with the additional income authorisation	Reallocation from item 01 to 45 or to item 01/21 from next year's appropriation	Savings(-)	Total basis for transfer	Max. transferable amount	Possible transferable amount calculated by the entity
0051 01		59 609 093		59 609 093				59 609 093	28 088 400	28 088 400

*The maximum amount that can be transferred is 5% of this year's appropriation under operating items 01-29, excluding item 24, or the sum of the appropriations for the last two years for items with the key word "transferable". See the annual circular R-2 for more detailed information on the transfer of unused appropriations.

Explanation of the use of budget authorisations

Possible transferable amount

Chapter 0051 shows an under-utilisation of NOK 59.6 million in 2021. Most of the large under-utilisation can be attributed to the ongoing pandemic with changing infection control measures, resulting in unpredictability in the planning work throughout 2021. Many of the projects that had been postponed from 2020 could not be carried out in 2021 either. At the same time, some of the new measures adopted in 2021 were also postponed. In addition, there was a sharp reduction in travel as a result of travel restrictions. Increased sickness absence and the associated reimbursements from NAV have also contributed to the under-utilisation. We are therefore applying to transfer the maximum transferable amount to 2022. This funding will be used to cover costs related to a number of development projects initiated in 2022.

Additional income authorisation

In 2021, the Auditor General had an additional income authorisation related to chapter 3051 item 02 Refunds abroad.
This has not been utilised in 2021.

Account reporting statement at 31 December 2021		
	31.12.2021	31.12.2020
Operating income reported to the appropriation accounts		
Payments from fees	0	0
Payments from grants and transfers	0	0
Sales and rental income	2 794 034	3 072 653
Other payments received	0	0
<i>Total income from operations</i>	2 794 034	3 072 653
Operating expenses reported to the appropriation accounts		
Payroll expenses	421 723 389	419 468 628
Other operating expenses	101 548 365	98 622 412
<i>Total operating expenses</i>	523 271 754	518 091 040
Net reported operating expenses	520 477 720	515 018 387
Investment and financial income reported to the appropriations accounts		
Financial income received	31 345	49 671
<i>Total investment and financial income</i>	31 345	49 671
Investment and financial expenses reported to the appropriations accounts		
Disbursement for investments	4 516 818	10 867 312
Disbursement for purchase of shares	0	0
Payment of financial expenses	14 681	20 764
<i>Total investment and financial expenses</i>	4 531 498	10 888 076
Net reported investment and financial expenses	4 500 153	10 838 405
Debt collection and other transfers to the central government		
Payment of taxes, fees, etc.	6 061 766	5 291
<i>Total debt collection and other transfers to the central government</i>	6 061 766	5 291
Grant management and other transfers from the central government		
Disbursement of grants and benefits	27 900 000	27 000 000
<i>Total grant management and other transfers from the central government</i>	27 900 000	27 000 000
Income and expenses reported under collective chapters *		
Group life insurance account 1985 (ref. chap. 5309, income)	549 901	557 000
Employer's NI contributions account 1986 (ref. chap. 5700, income)	50 924 016	50 663 815
Net recognition scheme for VAT account 1987 (ref. chap. 1633, expense)	8 952 503	9 758 939
<i>Net reported expenses under collective chapters</i>	-42 521 414	-41 461 875
Net amount reported to the appropriations account	504 294 694	511 389 625
Overview of outstanding accounts with the Treasury **		
Assets and liabilities		
	31.12.2021	31.12.2020
Receivables related to employees	685 783	386 188
Cash	0	0
Bank accounts with central government funding outside Norges Bank	0	0
Taxes and other deductions owed	-16 675 378	-15 239 149
Public fees owed	-12 999	-67 412
Provision for pension premium to the Norwegian Public Service Pension Fund (SPK)	0	0
Income received in advance, but not earned	0	0
Salaries (negative net, overpayment of salary, etc.)	-340	0
Differences in bank and unidentified payments received	0	0
Total outstanding accounts with the Treasury	-16 002 935	-14 920 374

* Any other income/expenses reported under collective chapters are specified on separate lines, as necessary.

** Specify and add lines, as necessary.

General accounting policies for the business accounts

- The Central Government Accounting Standards (SRS) for public sector accounting

The business accounts are presented in accordance with the Norwegian Central Government Accounting Standards (SRS).

Transaction-based income

Transactions are recognised in the income statement at the value of the payment at the time of the transaction. Income is recognised when it is earned. Income from the sale of goods is recognised once delivery has taken place and when the risk and control of the goods have been transferred to the buyer. Sales of services are recognised in the accounting period in which the services are rendered.

Income from appropriations and income from grants and transfers

Income from appropriations and income from grants and transfers are recognised according to the matching principle. According to this principle, income from appropriations and income from grants and transfers are recognised in the period in which the activities financed by this income are performed, i.e. in the same period as the costs are incurred (matching).

Gross-budgeted entities use a simplified version of the matching principle, whereby income from appropriations is calculated as the difference between the expenses and earned transaction-based income in the period and any other income from grants and transfers to the entity. One consequence of this is that the financial result of the activities in the period amounts to zero.

Costs

Expenses related to transaction-based income are recognised in the same period as the corresponding income.

Expenses that are financed by income from appropriations and income from grants and transfers are recognised in the period in which the activities are performed and the resources used.

Pensions

The standard SRS 25 "Benefits to employees" applies a simplified approach to the accounting of pensions. Central government entities shall not recognise net pension liabilities for schemes under the Norwegian Public Service Pension Fund (SPK) in the balance sheet.

The Office of the Auditor General recognises the employer's part of the pension premium as a pension cost. Pensions are recognised as if the pension scheme in the Norwegian Public Service Pension Fund (SPK) were based on a defined contribution plan.

Lease agreements

The Office of the Auditor General has chosen to use the simplified method in SRS 13 on lease agreements and classifies all lease agreements as operational lease agreements.

Classification and assessment of fixed assets

Fixed assets are long-term and significant assets that are at the Office of the Auditor General's disposal. Long-term assets are defined as assets with a useful life of three years or more. Significant assets are defined as assets with an original cost of NOK 50,000 or more. Fixed assets are recognised in the balance sheet at original cost, minus depreciation.

Office furniture and computing equipment (computers, servers, etc.) with a useful life of three years or more are recognised as separate groups in the balance sheet.

In the event of a change in use, fixed assets are amortised to their actual market value if this value is lower than the value recognised in the balance sheet.

Internal development of software

The purchase of assistance for to develop software has been recognised in the balance sheet. Expenses related to the use of own employees linked to the application development phase to develop software have been recognised.

Classification and assessment of current assets and current liabilities

Current assets and current liabilities are items that fall due for payment within one year of being acquired or incurred. Other items are classified as fixed assets/long-term liabilities.

Current assets are valued at the lower of original cost and market value. Current liabilities are recognised in the balance sheet at the nominal amount at the time they were incurred.

Receivables**Receivables**

Accounts receivable from clients and other receivables are recognised in the balance sheet at face value after deduction of provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of each receivable. At 31 December 2021, the Office of the Auditor General does not have any outstanding receivables.

Central government capital

The central government's capital constitutes the net amount of the entity's assets and liabilities and is reported in the line "settlement of accounts" in the balance sheet. Gross-budgeted entities do not report the group accounts with Norges Bank as bank deposits. The group accounts are included in the line "settled with the Treasury".

Government framework conditions – the self-insurer principle

The central government operates as a self-insurer. Accordingly, no items intended to reflect alternative net insurance costs or liabilities are included in the balance sheet or the income statement.

Income statement			
	Note	31.12.2021	31.12.2020
Operating income			
Income from appropriations	1	536 603 813	530 788 993
Income from grants and transfers	1	0	0
Income from fees	1	0	0
Sales and rental income	1	2 794 034	3 072 653
Other operating income	1	0	0
<i>Total operating income</i>		<i>539 397 847</i>	<i>533 861 646</i>
Operating expenses			
Cost of goods		0	0
Payroll expenses	2	422 595 484	420 582 483
Depreciation on fixed assets and intangible assets	3, 4	14 334 735	15 423 235
Amortisation of fixed assets and intangible assets	3, 4	0	0
Other operating expenses	5	102 484 205	97 884 836
<i>Total operating expenses</i>		<i>539 414 424</i>	<i>533 890 554</i>
Operating profit/loss		-16 576	-28 908
Financial income and financial expenses			
Financial income	6	31 345	49 671
Financial expenses	6	14 769	20 764
<i>Total financial income and financial expenses</i>		<i>16 576</i>	<i>28 908</i>
Net income from the period's activities		0	0
Settlements and allocations			
Settlement with the Treasury (gross-budgeted entities)	7	0	0
<i>Total settlements and allocations</i>		<i>0</i>	<i>0</i>
Debt collection and other transfers to the central government			
Taxes and public fees paid directly to the Treasury	8	6 061 766	5 291
Settlement with the Treasury, debt collection		6 061 766	5 291
<i>Total debt collection and other transfers to the central government</i>		<i>0</i>	<i>0</i>
Grant management and other transfers from the central government			
Grants paid to others	9	27 900 000	27 000 000
Settlement with the Treasury, grant management		27 900 000	27 000 000
<i>Total grant management and other transfers from the central government</i>		<i>0</i>	<i>0</i>

Balance sheet			
	Note	31.12.2021	31.12.2020
ASSETS			
A. Fixed assets			
I Intangible assets			
Software and similar rights	3	5 611 188	10 375 369
Intangible assets under development	3	0	0
<i>Total intangible assets</i>		<i>5 611 188</i>	<i>10 375 369</i>
II Tangible fixed assets			
Land, buildings and other real property	4	0	0
Machinery and vehicles	4	75 961	95 612
Operating equipment, fixtures and fittings, tools, etc.	4	19 846 380	25 035 558
Construction in progress	4	0	0
Infrastructure	4	0	0
<i>Total tangible fixed assets</i>		<i>19 922 341</i>	<i>25 131 170</i>
III Capital assets			
Investments in equities and shares		0	0
Bonds		0	0
Other receivables		0	0
<i>Total capital assets</i>		<i>0</i>	<i>0</i>
Total fixed assets		25 533 530	35 506 539
B. Current assets			
I Stock of goods and operating materials			
Stocks of goods and operating materials		0	0
<i>Total stock of goods and operating materials</i>		<i>0</i>	<i>0</i>
II Receivables			
Accounts receivable	10	0	0
Earned income, not invoiced		0	0
Other receivables	11	6 247 269	9 720 946
<i>Total receivables</i>		<i>6 247 269</i>	<i>9 720 946</i>
III Bank deposits, cash and similar			
Bank deposits		0	0
Cash and similar		0	0
<i>Total bank deposits, cash and similar</i>		<i>0</i>	<i>0</i>
Total current assets		6 247 269	9 720 946
Total operating assets		31 780 799	45 227 484

IV Receivables related to debt collection and other transfers			
Receivables related to debt collection and other transfers to the central government	8	0	0
<i>Total receivables related to debt collection and other transfers to the central government</i>		<i>0</i>	<i>0</i>
Total assets		31 780 799	45 227 484

Central government capital and liabilities			
	Note	31.12.2021	31.12.2020
C. Central government capital			
I Business capital			
<i>Total business capital</i>		0	0
II Settlements			
Settled with the Treasury (gross-budgeted entities)	7	-56 726 425	-43 931 300
<i>Total settlements</i>		-56 726 425	-43 931 300
Total central government capital		-56 726 425	-43 931 300
D. Liabilities			
I Provision for long-term liabilities			
Provisions for long-term liabilities		1 225 000	980 000
<i>Total provision for long-term liabilities</i>		1 225 000	980 000
II Other long-term liabilities			
Other long-term liabilities		0	0
<i>Total other long-term liabilities</i>		0	0
III Current liabilities			
Accounts payable		3 536 569	7 364 302
Tax owed		16 675 378	15 239 149
Public fees owed		8 180 797	7 971 836
Provisions for holiday pay		36 367 709	35 945 783
Income received in advance, but not earned		0	0
Other current liabilities	13	22 521 770	21 657 714
<i>Total current liabilities</i>		87 282 224	88 178 785
Total liabilities		88 507 224	89 158 785
Total central government capital and liabilities – operations			
		31 780 799	45 227 484
IV Liabilities relating to grant management and other transfers			
Liabilities relating to grant management and other transfers	9	0	0
<i>Total liabilities relating to grant management and other transfers</i>		0	0
Total central government capital and liabilities		31 780 799	45 227 484

Note 1 Operating income		
	31.12.2021	31.12.2020
Income from appropriations*		
Income from appropriations	536 603 813	530 788 993
Total income from appropriations	536 603 813	530 788 993
<p>According to the Central Government Accounting Standards (SRS), income from appropriations for gross-budgeted entities is calculated as the difference between the costs in the period and earned transaction-based income and any other income from grants and transfers to the entities. One consequence of this is that the financial result of the activities in the period amounts to zero.</p>		
Income from grants and transfers		
Grants from the Research Council of Norway	0	0
Grants from other central government entities	0	0
Grants from the EU	0	0
Other grants and transfers	0	0
Total income from grants and transfers	0	0
Income from fees		
Fees	0	0
Total income from fees	0	0
Sales and rental income		
Sales income, liable to VAT	0	0
Sales income, not liable to VAT	845 874	1 038 187
Sales income, exempt from VAT	0	0
Rental income	1 948 160	2 034 466
Unearned income	0	0
Total sales and rental income	2 794 034	3 072 653
Other operating income		
Gain from disposal of fixed assets	0	0
Other operating income	0	0
Total other operating income	0	0
Total operating income	539 397 847	533 861 646

Note 2 Payroll expenses		
	31.12.2021	31.12.2020
Salaries	305 598 065	301 278 790
Holiday pay	37 356 554	36 814 694
Employer's National Insurance contributions	51 185 876	50 629 719
Pension costs*	37 367 817	37 544 166
Pay recognised in the balance sheet in connection with development of fixed assets (-)**	0	0
Sick pay and other reimbursements (-)	-14 068 281	-11 218 409
Other benefits	5 155 452	5 533 524
Total payroll expenses	422 595 484	420 582 483
Number of full-time equivalents worked	414	429

* Pensions are recognised as an expense in the income statement based on the actual premiums accrued for the financial year. The premium rate for 2021 is 12 per cent. The premium rate for 2020 was 12 per cent.

** Includes pay and social costs (holiday pay, employer's National Insurance contributions and pension costs).

Note 3 Intangible assets

	Software and similar rights	Intangible assets under development	Total
Acquisition cost at 01.01.2021	51 479 293	0	51 479 293
Additions in 2021	730 135	0	730 135
Disposals at acquisition cost in 2021(-)	-157 169	0	-157 169
From intangible assets under construction to another group in 2021	0	0	0
<i>Acquisition cost</i>	<i>52 052 258</i>	<i>0</i>	<i>52 052 258</i>
Accumulated amortisations at 01.01.21	145 216	0	145 216
Amortisations in 2021	0	0	0
Accumulated depreciation at 01.01.21	40 958 708	0	40 958 708
Ordinary depreciation in 2021	5 484 052	0	5 484 052
Accumulated depreciation, disposals in 2021 (-)	-146 906	0	-146 906
Balance sheet value at 31.12.2021	5 611 188	0	5 611 188
Depreciation rates (service life)	5 year / straight line	No depreciation	
Divestment of intangible assets in 2021:			
Sales price of fixed assets on disposal	0	0	0
- Book value of divested fixed assets	0	0	0
= Accounting gain/loss	0	0	0

Note 5 Other operating expenses		
	31.12.2021	31.12.2020
Rent	56 428 654	56 454 516
Maintenance of own buildings and facilities	0	0
Maintenance and refurbishing of leased premises	808 587	1 017 607
Other expenses for operation of property and premises	6 119 646	6 835 308
Lease of machinery, equipment, fixtures and fittings, etc.	8 418 575	8 352 279
Minor equipment purchases	250 914	840 038
Repair and maintenance of machinery, equipment, etc.	144 568	117 864
Purchase of consultancy services	6 872 570	7 039 400
Purchase of other external services	9 918 242	6 222 020
Travel and per diem	3 118 297	4 280 083
Losses etc.	35 104	7 531
Other operating expenses	10 369 048	6 718 190
Total other operating expenses	102 484 205	97 884 836

Supplementary information about operational lease agreements						
Remaining duration	Type of asset					
	Intangible assets	Land, buildings and other real property	Machinery and vehicles	Operating equipment, fixtures and fittings, tools, etc.	Infrastructure assets	Total
Duration up to 1 year						0
Duration 1–5 years		4 119 332				4 119 332
Duration of more than 5 years		51 760 220				51 760 220
Recognised lease expenses for the period	0	55 879 552	0	0	0	0 55 879 552

Note 6 Financial income and financial expenses

	31.12.2021	31.12.2020
Financial income		
Interest income	0	0
Foreign exchange gain (agio)	31 345	49 671
Dividends from companies	0	0
Other financial income	0	0
Total financial income	31 345	49 671
Financial expenses		
Interest expenses	4 798	0
Amortisation of shares	0	0
Foreign exchange loss (disagio)	9 971	20 764
Other financial expenses	0	0
Total financial expenses	14 769	20 764

Note 7 Correlation between accounts settled with the Treasury and outstanding accounts with the Treasury

A) Explanation of why the result (net income) for the period differs from the change in the amounts settled with the Treasury in the balance sheet (congruence discrepancy)

	31.12.2021	31.12.2020	Change*
Settled with the Treasury in the balance sheet	-56 726 425	-43 931 300	-12 795 124

The reason why the net income for the period is not equal to the changes in the amounts settled with the Treasury in the balance sheet for gross-budgeted entities is that the group accounts with Norges Bank are included as part of the amounts settled with the Treasury in the balance sheet. In addition, certain transactions that are not related to the operation of the Office of the Auditor General and transactions that do not entail incoming or outgoing payments are included. The statement below shows the various items that are the reason why the difference in the amount settled with the Treasury on the balance sheet is not equal to the net income for the period.

Change in the accounts settled with the Treasury

Group accounts in Norges Bank

Group account outgoing payments	-526 510 055
Group account incoming payments	23 297 922
<i>Net withdrawal from the group account</i>	<i>-503 212 133</i>
<i>Incoming and outgoing payments that are not included in the organisation's operations (capital flow items)</i>	
- Incoming payments, debt collection and other transfers	-6 061 766
+ Outgoing payments, grant management and other transfers	27 900 000
<i>Items that do not go via a bank account, but directly to settlement with the Treasury</i>	
+ Recognised as income from appropriation (sub-account 1991)	536 603 813
- Group life insurance/employer's National Insurance contributions (sub-accounts 1985 and 1986)	-51 473 916
+ Net recognition scheme for government paid VAT, (sub-account 1987)	9 039 126
<i>Other reconciliation items</i>	
Specification of other reconciliation items	0
<i>Difference between amount recognised as income and the net withdrawal from the group account</i>	<i>12 795 124</i>
Net income from the period's activities before settlement with the Treasury	0
Total change in the accounts settled with the Treasury*	12 795 124

*The total change in the accounts settled with the Treasury must correspond to the change in the period above.

Note 7B Correlation between accounts settled with the Treasury and outstanding accounts with the Treasury

B) Difference between amounts settled with the Treasury and outstanding accounts with the Treasury

	31.12.2021	31.12.2021	
	Specification of <u>recognised</u> settlement with the Treasury	Specification of the <u>reported</u> outstanding accounts with the Treasury	Difference
Intangible assets and tangible fixed assets			
Intangible assets	5 611 188		5 611 188
Tangible fixed assets	19 922 341		19 922 341
Total	25 533 530	0	25 533 530
Capital assets			
Equities and investments	0	0	0
Bonds	0	0	0
Other receivables	0	0	0
Total	0	0	0
Current assets			
Stock of goods and materials	0	0	0
Accounts receivable	0	0	0
Earned income, not invoiced	0	0	0
Other receivables	6 247 269	685 783	5 561 486
Bank deposits, cash and similar	0	0	0
Receivables related to debt collection and other transfers to the central government	0	0	0
Total	6 247 269	685 783	5 561 486
Long-term liabilities and debts			
Provisions for long-term liabilities	-1 225 000	0	-1 225 000
Other long-term debts	0	0	0
Total	-1 225 000	0	-1 225 000
Current liabilities			
Accounts payable	-3 536 569	0	-3 536 569
Taxes and other deductions owed	-16 675 378	-16 675 378	0
Public fees owed	-8 180 797	-12 999	-8 167 799
Provisions for holiday pay	-36 367 709	0	-36 367 709
Income received in advance, but not earned	0	0	0
Other current liabilities	-22 521 770	-340	-22 521 430
Liabilities relating to grant management and other transfers from the central government	0	0	0
Total	-87 282 224	-16 688 717	-70 593 507
Total	-56 726 425	-16 002 935	-40 723 490

Outstanding accounts with the Treasury consists of short-term receivables and liabilities that, according to the financial regulations, must be reported to the central government accounts (the S-report). Amounts settled with the Treasury shows the financing of the organisation's net assets and liabilities.

Note 8 Debt collection and other transfers to the central government		
	31.12.2021	31.12.2020
Transfers from other central government accounts	0	0
Transfer from municipal/county authorities' administrative budget	0	0
Taxes and public fees, interest income and dividends, etc.*	6 061 766	5 291
Total taxes and public fees paid directly to the Treasury	6 061 766	5 291
Receivables related to debt collection and other transfers		
	31.12.2021	31.12.2020
Accounts receivable at face value	0	0
Provisions for expected losses(-)	0	0
Total receivables related to debt collection and other transfers to the central government	0	0

*The refund from the IDI relates to unused grant allocations for 2020.

Note 9 Grant management and other transfers from the central government

Grants paid to others	31.12.2021	31.12.2020
Disbursement of grants to others	27 900 000	27 000 000
Transfers to funds, administrative bodies and other central government accounts	0	0
Other	0	0
Total grants paid to others	27 900 000	27 000 000

Note 10 Accounts receivable

	31.12.2021	31.12.2020
Accounts receivable at face value	0	0
Provision for bad debts (-)	0	0
Total accounts receivable	0	0

Note 11 Other current receivables

	31.12.2021	31.12.2020
Salary paid in advance	0	0
Travel advances	40 930	17 500
Loans to employees	645 138	348 688
Other receivables related to employees	-285	20 000
Rent paid in advance*	2 497 707	6 779 360
Other pre-paid costs	1 716 455	1 529 353
Other receivables	1 347 324	1 026 045
Total other current receivables	6 247 269	9 720 946

* The rent for January 2021 was recognised as pre-paid in 2020.

Note 12 Bank deposits, cash and similar

	31.12.2021	31.12.2020
Other bank accounts (outside the central government's group account scheme)	0	0
Cash on hand	0	0
Total bank deposits, cash and similar	0	0

Note 13 Other current liabilities

	31.12.2021	31.12.2020
Salary owed	340	0
Other debts to employees	22 201 117	21 334 689
Incurred costs	320 313	323 025
Reconciliation difference in reporting to the central government accounts	0	0
Provisions for pension premium to SPK, employer's share	0	0
Other current liabilities	0	0
Total other current liabilities	22 521 770	21 657 714

Appendix 3:

Auditor's report



To the Presidium of the Storting

Independent auditor's report

Conclusion

We have audited the financial statements of the Office of the Auditor General of Norway, which comprise the balance sheet as at 31 December 2021, the income statement, the appropriations reporting and account reporting for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Office of the Auditor General of Norway as at 31 December 2021, and its financial performance for the year then ended in accordance with the Regulations on Financial Management in Central Government, the recommended Norwegian Central Government Accounting Standards (SRS), and the rules for accounting and financial reporting in the central government in Norway.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Office of the Auditor General as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Auditors General and the Managing Director (management) are responsible for the other information published in the Annual Report. Other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material



misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the management for the financial statements

The Board of Auditors General and the Managing Director (management) are responsible for the preparation of financial statements in accordance with the Regulations on Financial Management in Central Government in Norway, including the recommended Norwegian Central Government Accounting Standards (SRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Office of the Auditor General's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of the auditor's responsibilities for the audit of the financial statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Oslo, Norway, 15 March 2022
PricewaterhouseCoopers AS

Hans-Christian Berger
State Authorised Public Accountant
(This document has been signed electronically)

Auditor's report

Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Berger, Hans-Christian	BANKID_MOBILE	2022-04-04 13:09



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Appendix 4:

The INTOSAI Development Initiative (IDI)

Appendix 4: The INTOSAI Development Initiative (IDI)

The INTOSAI Development Initiative (IDI) is a not-for-profit body that supports capacity development of supreme audit institutions in developing countries. The IDI supports enhancement of audit performance and capacity of supreme audit institutions in developing countries through needs-based, targeted and sustainable development initiatives. Activities include skills development for managers and employees, organisational development, and strengthening of institutional capacity. IDI is an integral part of INTOSAI (International Organization of Supreme Audit Institutions), the global umbrella organisation for supreme audit institutions, which currently has 196 members.

Responsibility for the IDI was transferred to the Office of the Auditor General of Norway in 2001. The transfer was approved by the Storting (cf. Document 3:14 (1997–98) and Recommendation no. 8 to the Storting (1998–99)) and INTOSAI's supreme governing body (Congress) in 1998. In Norway, the IDI is organised as a foundation with a board and a secretariat.

The board of the IDI comprises ten members and is chaired by Auditor General Karl Eirik Schjøtt-Pedersen. The Office of the Auditor General of Norway has three seats on the board, including the Auditor General. At the beginning of 2021, the remaining seven seats were held by the Auditors General of Bhutan, Indonesia, Jamaica, South Africa, Sweden, Sierra Leone and Austria.

The IDI Secretariat consists of 43 full-time equivalents and is located in the Office of the Auditor General's offices in Oslo. The IDI's main task is to carry out development projects to enhance the capacity of supreme audit institutions in developing countries around the world. The secretariat has four official working languages: Arabic, English, French and Spanish. The secretariat also has an international section.

The IDI is also responsible for the operation of the INTOSAI-Donor Cooperation, which was established in 2009 through a Memorandum of Understanding (MoU) between INTOSAI and 15 donors. The Cooperation currently has 23 donors. Through the partnership, supreme audit institutions and donors work together to ensure a more strategic approach and increased support to initiatives to enhance the capacity of supreme audit institutions in developing countries. Through the INTOSAI-Donor Cooperation, 52 supreme audit institutions have received approved financial support to improve their IT solutions in 2020 and 2021.

In 2021, the IDI has continued to focus on supporting supreme audit institutions facing challenges as a result of the COVID-19 pandemic. The demand for support remains high, both to ensure the continued operation of supreme audit institutions during the pandemic and to be able to carry out audits of how emergency funding (national and international) to deal with the pandemic has been used in these countries.

The IDI has launched a number of new initiatives in connection with the COVID-19 pandemic, including:

- Support for supreme audit institutions in all developing countries to audit the use of COVID-19 funding
- Audits of public procurements
- Support for supreme audit institutions to carry out performance audits of the fulfilment of the UN Sustainable Development Goal 3.d: Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks
- Audits of national efforts to prevent domestic violence
- Support for risk and crisis management
- Strengthening ICT practices and management
- Strengthening of personnel management, ethics and equality in supreme audit institutions
- Support for the preparation and publication of independent audit reports

The IDI collaborates with the International Monetary Fund and the World Health Organization, among others, in these areas.

In 2018, the IDI launched its strategic plan for the period 2019–2023. The plan has four main focus areas: supreme audit institutions' independence, professionalism, relevance and governance. In addition, equality goals have been incorporated as integral elements in more of the IDI's work. The plan ensures that the IDI assists supreme audit institutions around the world with enhanced audit capacity, support to secure funding from donors and a mapping of global needs every three years.

The IDI's work is carried out in collaboration with INTOSAI's specialist committees and working groups, which develop standards and guidelines and can thus contribute valuable expertise to the IDI's projects. Gender equality is promoted through a wide range of the IDI's initiatives. In 2020, 51 per cent of the participants from the supreme audit institutions in the IDI's initiatives were women, which is an increase of 3 percentage points from 2020. The IDI works systematically to ensure it maintains a high proportion of women.

A total of 191 supreme audit institutions participated in IDI activities in 2021. A number of donor organisations also participated, at their own expense. In 2021, more than 2,000 employees from supreme audit institutions participated in IDI initiatives. Approximately 3 per cent of the participants are from the senior management of the supreme audit institutions. The IDI attaches particular importance to strengthening the management function in supreme audit institutions, because good strategic management is a prerequisite for independent and effective supreme audit institutions. Participation at the management level is also important both to ensure ownership of the initiatives and to ensure that the necessary resources are available to implement the initiatives.

The introduction and implementation of INTOSAI's international audit standards for supreme audit institutions has continued to be an important priority area for the IDI in 2021. The standards are compiled in a comprehensive framework¹⁵ that includes requirements for supreme audit institutions' mandate, organisation, methods, etc. Supreme audit institutions in developing countries generally need a great deal of support in connection with introduction of the standards.

In addition to the new initiatives, the IDI has conducted initiatives in the following areas in 2021:

- Supreme audit institutions' interaction with the outside world
- Training in the use of e-learning
- Auditing of implementation of the UN Sustainable Development Goals
- Support for the improvement of the independence of supreme audit institutions, including the role of the supreme audit institutions' leadership
- Strategic planning and reporting
- Increased use of the global Supreme Audit Institutions Performance Measurement Framework (SAI PMF)
- Training of supreme audit institutions in best practice as a grant recipient and interaction with aid organisations

In addition, the IDI has continued to provide special bilateral support to supreme audit institutions in vulnerable countries such as Somalia, South Sudan, Gambia, Madagascar and the Democratic Republic of Congo. The IDI is also working to mobilise well-functioning supreme audit institutions and other INTOSAI organisations to work together to help improve supreme audit institutions in selected vulnerable states, in

¹⁵ ISSAI: International Standards of Supreme Audit Institutions

line with Agenda 2030 and the “leave no one behind” principle. This applies in particular to the supreme audit institutions of Guinea, Togo, Niger, Eritrea, Sierra Leone and Zimbabwe.

The work to continuously improve the IDI’s planning and reporting of achievement of goals has continued in 2021. A common performance framework for the entire IDI has been included in the IDI’s strategic plan to ensure integrated reporting linked to the strategic goals.

The Office of the Auditor General of Norway’s earmarked grant for the operation of the IDI secretariat in 2021 accounted for roughly 34% of the total grants to the IDI. A substantial portion of the IDI secretariat’s costs (mainly pay and travel expenses) are related to concrete activities, while a smaller portion covers internal administration. The operating grant is a prerequisite for the Office of the Auditor General’s ability to host the IDI.

In 2021, grants to fund the IDI’s capacity development initiatives have been received from donors in 12 countries¹⁶, in addition to the EU and membership fees from INTOSAI. Financial support from donors is a prerequisite for the IDI’s activities. The IDI has had a stable group of donors. In 2021, a number of supreme audit institutions have provided valuable support for the IDI’s activities through provision of services. This includes provision of 251 resource persons for the IDI’s initiatives, hosting of IDI activities, and translation and printing of documents.

Key figures and information:

- In 2021, operation of the IDI secretariat amounted to approximately NOK 68 million. Costs were significantly lower than planned as a result of a halt in virtually all travel in 2021
- The budget for 2022 amounts to NOK 89 million and reflects, among other things, a strengthening of the organisation to switch from physical meetings to virtual meetings and resumption of travel activities in the second quarter
- The financial statements for 2021 have been prepared in accordance with the going concern principle

¹⁶ Norway, Sweden, Saudi Arabia, Ireland, Latvia, France, Switzerland, Germany, Austria, Qatar, United Kingdom, USA