THE PUBLIC ACCOUNTS COMMITTEE OF THE DANISH PARLIAMENT
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According to the Danish Constitution, Parliament appoints the members of the Public Accounts Committee (PAC) to carry out the audit of the Danish public accounts.

This pamphlet presents the members of the PAC, describes its tasks and activities, and outlines the legal framework for the PAC.

The tasks of the PAC as a parliamentary control agency are derived from the first Danish Constitution of 1849. The primary tasks of the PAC were at that time - and still are:

- to verify that all revenue is correctly reflected in the accounts and that all expenditure has been paid in accordance with the legislation,
- to verify that the accounts are correct,
- to assess whether the public funds have been managed properly,
- to submit the audited public accounts for parliamentary approval.

The PAC cooperates closely with the Auditor General, whose office, Rigsrevisjonen, carries out both financial and performance audits. The PAC has the authority to request that specific audit investigations be carried out by the Auditor General. Audit reports and investigation memoranda from the Auditor-General’s Office form the basis of the work of the PAC. By way of concluding comments to reports from the Auditor General’s office, the PAC sets the standard for the appropriate management of public funds to be practised by the ministers.

*In other words, the task of the public audit institution is to ensure that public funds are spent in accordance with the decisions of Parliament and that the funds are managed as efficiently as possible.*
THE MEMBERS OF THE PUBLIC ACCOUNTS COMMITTEE

Members of the PAC are politicians appointed by Parliament. The present 6 PAC members have been appointed by Parliament for the period 1st October, 2010 – 30th September, 2014. Please find below a brief presentation of the 6 PAC members:

PAC member, Chairman
**Peder Larsen**
Accountant
BA Political Science
The Socialist People’s Party

PAC member, Vice Chairman
**Henrik Thorup**
Managing Director
Vicepresident in the Capital Region of Denmark
The Danish People’s Party
PAC member since 1998

PAC member
**Helge Adam Møller**
Danish Army Major
The Conservative People’s Party
PAC member since 2000
PAC member
**Kristian Jensen**  
Member of Parliament  
Former Minister  
Bank assistant  
The Liberal Party  
PAC member since 2011

PAC member
**Mogens Jensen**  
Member of Parliament  
Consultant  
The Social Democratic Party  
PAC member since 2011

PAC member
**Klaus Frandsen**  
Business Development Director  
The Social Liberal Party  
PAC member since 2011
The castle of Christiansborg about 1840. The office of the Public Accounts Committee is situated in the building which connects the castle and the church of Christiansborg.
THE SECRETARIAT OF THE PUBLIC ACCOUNTS COMMITTEE

The Secretariat assists the PAC in performing its work. The duties of the Secretariat are to prepare PAC meetings, handle and distribute meeting documents, and give advice to the PAC regarding, for example, the financial, management and legal aspects of specific audit matters.

Head of Secretariat
Gitte Korff
MSc Political Science

Deputy Head of Secretariat
Jens Frederik Rasmussen
MA Political Science

Principal Secretary
Jannie Sølvsteen
Secretarial Certificate
LEGAL AUTHORITY AND DUTIES OF THE PAC

Legal framework for the activities of the PAC
The Danish Constitution of 1849 lays down the independent parliamentary role of the PAC. Paragraph 47 of the Constitution states that it is the responsibility of the PAC to audit the public accounts.

Rules for the appointment of PAC members and their mandate are laid down in the Public Accounts Committee Act and further specified in parliamentary resolutions.

Part of the legal audit framework is also the 1997 Audit of Public Accounts Act, which - among other things - lays down the procedures between the PAC and the Auditor General.

Election of PAC members
Every 4 years, Parliament appoints 6 members to the PAC. The political parties of Parliament recommend candidates. Candidates do not necessarily have to be Members of Parliament. Members of the PAC cannot be dismissed during their 4 year term of office.

Members of the PAC will receive an annual payment, corresponding to half of the payment to Members of Parliament. After 8 years of PAC membership, the member will be entitled to a pension.

The recurrent costs of the PAC and its Secretariat are financed by a separate appropriation in the budget of Parliament.
Tasks of the PAC

The tasks of the PAC comprise the following:

- to review the annual public accounts to make sure that all revenue is correctly reflected in the accounts and all expenditure has been paid for in accordance with the Finance Act or other relevant legislation
- to verify that the public accounts are correct and all transactions have been made in accordance with: the appropriations, relevant legislation and directives, binding agreements and normal practice
- to assess whether public funds and public enterprises have been managed in a reasonable and responsible manner
- to submit the audited public accounts to Parliament for approval
- to provide Parliament and its Committees with all requested audit information
- to verify that the responsible ministers have provided Parliament and its Committees with all necessary information.

The PAC’s authority to carry out investigations

The PAC has the authority to investigate and to inform Parliament on the following areas:

- all institutions, foundations, organisations etc. whose financing is based upon public grants
- all autonomous public administrative units whose mandate is based on separate legislation or on a provision from the Finance Committee of Parliament. An exception to this is the Danish National Bank in its capacity as Central Bank
• companies and partnerships in which the state or a state financed institution is a responsible partner.

Investigations may be carried out irrespective of the accounting and auditing regulations that may apply.

**Audit reports**
The PAC may request that the Auditor General carries out specific audits. In this respect, the Auditor General has the same access and authority as the PAC to audit state institutions. When the Auditor General has carried out an investigation, he submits his findings in an audit report to the PAC. Each year, approximately two-thirds of the reports submitted to the PAC have been initiated by the Auditor General, while the remaining third are prepared upon request from the PAC.

**PAC meetings**
The PAC usually meets once a month to deal with the Auditor General’s reports and add its concluding comments (see below). The PAC then submits the report to Parliament for information and to the responsible minister for statement.

**Concluding comments by the PAC**
The PAC gives its concluding comments to the majority of the reports. These comments may express criticism of ministers, ministries, institutions etc. The PAC’s comments are included in the final report. In its comments, the PAC does not recommend solutions to the audit findings, but may focus its criticism on areas of administration, on which the responsible minister should make improvements.
Informing Parliament

The PAC as such has no authority to apply sanctions against ministers. However, through its concluding comments to the reports, it is the PAC’s duty to give Parliament its assessment as to how the ministers have carried out Parliamentary decisions and how the allocated public funds have been spent. Such information to Parliament is also given through the PAC’s concluding comments to the Final Report on the Annual Public Accounts.

The PAC may recommend that decisions be made by Parliament concerning specific audit matters, but it is left to Parliament alone to decide whether or not an audit matter should have political consequences for the responsible minister.

The principle of consensus

In spite of the fact that the PAC members represent a variety of political parties and attitudes, they constantly strive to express opinions in consensus. This principle of consensus also applies in cases where the PAC makes the request that specific investigations be carried out by the Auditor General.

For Parliament, ministers and the public, this principle of consensus adds credibility to the PAC’s statements and comments. However, according to the Public Accounts Committee Act, every PAC member has a legal right to express individual points of view.

Publication rules and media contact

To make sure that the audit activities are open and transparent, all reports and any follow-up, in the form of statements made by the ministers and memoranda by the Auditor General, are made public.
Individual PAC members often express views on audit reports and upcoming investigations to the media and the public. However, such views are always based upon unanimous decisions in the PAC.

**Inspection activities of the PAC**

It is part of the PAC’s audit work to carry out annual inspections of government-funded administrations, institutions and enterprises etc., both in Denmark and abroad. In connection with such inspections, the PAC has the right of access to all relevant documents and information, and the PAC may wish to report the inspection results to Parliament.

**Interaction between the PAC and the Auditor General**

As mentioned previously, the Danish public audit organisation comprises 2 independent institutions under Parliament: the PAC and the Auditor-General’s Office. The Auditor-General’s Office carries out the majority of the audit work.

The Auditor-General’s Office reports to the PAC in the form of reports and memoranda.

The PAC is the only authority with the right to direct the Auditor General to carry out specific audit activities.

**Auditor-General’s Office**

The Auditor-General’s Office is an independent institution under Parliament. It is the task of the Auditor-General’s Office to audit the public accounts and, in doing so, investigate whether public funds have been spent and managed in accordance with the
provisions of Parliament. The Auditor-General’s Office also advises administrations, institutions etc. on how to improve their accounting procedures and how to yield better results with fewer resources.

**Auditor General**

The Auditor General heads the Auditor-General’s Office. He is appointed by the Chairman of Parliament on recommendation by the PAC and after approval from the Standing Order Committee of Parliament.

The Auditor General has a staff of approx. 260 people.

**The Audit of Public Accounts Act**

The Auditor General carries out his duties in accordance with the provisions in the Audit of Public Accounts Act and the Instruction for the Auditor General. The Act lays down the independence of the Auditor General and confirms that he is solely responsible for ensuring that both his office and its staff remain within the budget allocated to him by Parliament.
Financial audit and performance audit

The audit work comprises both financial audits and performance audits.

The purpose of a Financial audit is to verify that the accounts are reliable, i.e. that the accounts are free from material errors and that the underlying transactions are legal and regular.

A Performance audit (or value for money audit) demonstrates whether the institution in question has demonstrated sound and responsible financial management of public funds. Major performance audit investigations must show whether public funds are being spent in an economic, efficient and effective way.

Reports and memoranda

Major investigations can be initiated either by the Auditor-General’s Office or upon request from the PAC. Prior to an investigation, the PAC will normally ask the Auditor General for a preparatory memorandum. The Auditor-General’s Office submits the results of major investigations in a report to the PAC.

When the Auditor General has collected comments from the ministers and institutions concerned, he reports the results of the audit work to the PAC in a special audit report. This normally occurs 15 – 20 times per year.
Report on the audit of the Annual Public Accounts

In addition to the abovementioned audit reports, the Auditor General submits an annual report to the PAC on the overall results from that year’s financial audit. This Report on the Audit of the Public Accounts will contain a review of the financial audit results for each ministry as well as the results of a number of comparative investigations and selected audit themes.

The PAC’s handling of audit reports

The PAC deals with audit reports in its monthly meetings. The PAC expresses its views and assessments in the form of concluding comments to the reports.

The final reports are submitted to Parliament and sent to the responsible ministers.

Statements from ministers

After the PAC has forwarded the report to the responsible minister, it is the duty of the minister to submit a statement to the PAC within 2-4 months, indicating the considerations and steps to which the report has given rise. The minister’s statement can always be submitted to the PAC before the stipulated time limit.

In his statement, the minister must respond to all critical comments in the report, its conclusions and the comments made by the PAC.

The minister’s duty to submit a statement implies legal protection as it grants the minister the opportunity to provide an explanation.
The minister’s statement is assessed by the Auditor General. Within one month, the Auditor General must submit to the PAC his views on the considerations and planned action presented by the minister in his statement.

**Closing of current audit matters**

On the basis of the minister’s statement and the Auditor General’s assessment thereof, the PAC handles the matter once more.

If this does not give rise to any further comments from the PAC, the matter will be closed. If, however, the PAC has additional comments, the Auditor General will follow-up on the matter and report further developments to the PAC in the form of memoranda. The matter is not closed until both audit institutions are satisfied.

**Final Report on the Annual Public Accounts**

Every year, the PAC submits its Final Report on the Annual Public Accounts. This report contains a follow-up on the audit report, including a statement made by the minister, the Auditor General’s memorandum and the comments made by the PAC. The Report on the Annual Public Accounts also contains a follow-up on unresolved audit matters from previous years.

**Parliamentary approval of the Public Accounts**

The PAC finalises the audit by submitting the Final Report on the Annual Public Accounts to Parliament for approval.

On the basis of the PAC’s concluding report, the Finance Committee can recommend the Annual Public Accounts for parliamentary approval.
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