

Annual Report 2023

Document 2 (2023–2024)



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A year in transition

The year 2023 was a special year for the Office of the Auditor General of Norway, especially because of the preparatory works for a new act. The act outlines how to carry out our public mandate. In the Constitution of Norway, this task is assigned to five auditors-general who are selected by the Storting (Norwegian Parliament), and the work is carried out by all the competent staff at the Office of the Auditor General. We look forward to the Storting's consideration of the bill, which is scheduled for the first half of 2024.

Over the course of the year, the activities of the Office of the Auditor General have been thoroughly reviewed, both through scheduled internal evaluations and through evaluations carried out separately for the Commission on the Office of the Auditor General. Much is good, some very good. For example, a survey conducted this summer revealed that the Office of the Auditor General is the second most trusted public agency among all the entities included. It ranks just behind the Norwegian State Educational Loan Fund in terms of public trust. However, evaluations also revealed weaknesses. Therefore, we have launched a quality assurance programme which aims to ensure that the identified weaknesses are rectified before year-end 2024. We will devote considerable effort to this programme in the coming year.

Society is undergoing major changes, not least as a result of the opportunities created by digital technology. The year 2023 was also characterised by the work on preparing a new strategy for the Office of the Auditor General on how we are to transition into this new era. Many people have been involved in this work through a series of workshops and broad consultations. The strategy will remain a priority in the coming year. When the new strategy takes effect on 1 July, we will be well on our way to correcting yesterday's mistakes and shortcomings, creating a blank slate for the future Office of the Auditor General and ensuring that the organisation is equipped to carry out the tasks in accordance with both the new act and the new strategy.

All of us at the Office of the Auditor General takes pride in contributing to the public mandate that is crucial for democracy and essential for upholding trust within and to the Norwegian society. Through a new act, a future-oriented strategy and a purposeful commitment to high quality, we are ready to face the future. Thereby, the work of the Office of the Auditor General, and the day-to-day work of our staff members, will become even more relevant and exciting. Many thanks to all employees for working hard every day to ensure that our auditing benefits the society of tomorrow.

Karl Eirik Schjøtt-Pedersen

Auditor General of Norway



Auditor General of Norway, Karl Eirik Schjøtt-Pedersen
Photo: Mathias Fossum / Office of the Auditor General

Public mandate

Through our audits, control and guidance, we are to help ensure that central government revenue is paid as intended, and that central government funds and assets are utilised and managed in a financially sound manner

Our vision

Auditing to benefit the society of tomorrow

Our main objectives for 2023



To be society's foremost provider of current and relevant public auditing



To conduct high-quality audits and controls



To be an efficient organisation

Our tasks in 2023

15 performance audits

5 compliance audits

236 audits of annual accounts

Corporate control

Audits of the central government accounts

International audit work

Development initiatives at the Office of the Auditor General

Priority areas



Transition due to climate challenges



Civil protection and preparedness



Improvement of the public sector



Access to resources



Use of resources



Vulnerable groups

In 2023, the Office of the Auditor General worked **407** full-time equivalent hours across **7** offices in Norway

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

1.1 Roles and duties

The Office of the Auditor General of Norway is the regulatory body of the Storting. We conduct audits, controls and investigations of the government ministries, other central government entities and the central government's 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. Our controls and audits are based on the decisions of the Storting, e.g., acts and resolutions. This entails that we

- audit the central government accounts;
- inspect compliance with acts, rules and decisions;
- assess the economy, efficiency and effectiveness of public policies;
- oversee the management of the central government's interests in enterprises.

Through 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.

Our investigations are independent and objective, and aim to provide the Storting with a professional basis for exercising its oversight function over the government. Beyond the mandatory tasks assigned to us, we determine ourselves what to investigate. However, the Storting in plenary session can instruct us to conduct specific investigations.

1.1.1 Evaluation of the Office of the Auditor General's activities

In 2021, the Storting decided to appoint a commission to carry out a comprehensive evaluation of the Office of the Auditor General's activities. The commission would also be tasked with reviewing the current legislation and instructions for the Office of the Auditor General and, if appropriate, propose amendments thereto.

The Commission's proposal for a new Act relating to the Office of the Auditor General was announced and submitted to the President of the Storting on 30 November 2023. The proposal continues and strengthens the social mission of the Office of the Auditor General. The Commission emphasises the importance of public trust in the Office of the Auditor General.

In addition to preparing a proposal for a new act, the Commission has evaluated the operational performance of the Office of the Auditor General. The evaluation shows that we enjoy a high level of trust among politicians and that the public administration perceives our investigations as useful. In terms of quality assurance in the financial audit and our internal management, the evaluation shows that there is room for improvement.



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 adhere to the International Organization of Supreme Audit Institutions' (INTOSAI) international framework and standards for public sector auditing. These documents set out the fundamental principles and quality requirements for supreme audit institutions.

Within this framework, we operate independently of the Storting and the public administration.

The matter is now being considered by the Storting's Standing Committee on Scrutiny and Constitutional Affairs.

1.1.2 The Office of the Auditor General's quality assurance programme

The Office of the Auditor General's quality assurance programme is to strengthen operations and ensure that it operates in accordance with international standards for quality of public sector auditing. Through this programme, the Office of the Auditor General takes an active step to address and correct identified deficiencies and ensure good governance and follow-up of quality assurance.

An important component of the quality assurance programme is to prepare the organisation for the implementation of a new strategic plan. By bolstering and improving internal processes, we position ourselves favourably to efficiently handle future challenges and opportunities.





Several measures have already been implemented, or are in the process of being implemented. The measures in the programme are to be completed by year-end 2024 at the latest.

1.2 Our work

The Office of the Auditor General performs mandatory regular annual audit assignments, and decides to conduct other audits based on assessments of risk and materiality. Our aim is always to provide the Storting with topical and relevant information.

1.2.1 Financial audits and control of central government accounts

We conduct annual audits of the accounts of all central government entities. Such audits are crucial to ensure the trust of the public in public accounts.

Financial audits and control of central government accounts	
What we audit	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Annual accounts for all central government entities</p> </div> <div style="text-align: center;">  <p>Central government accounts</p> </div> </div>
Purpose of our auditing	To provide assurance that central government accounts do not contain material errors or omissions, and that they are prepared in accordance with applicable legislation and the financial framework
Outcomes of our auditing	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Audit report for each entity and a statement on the central government accounts</p> </div> <div style="text-align: center;">  <p>A complete statement of all audits is reported to the Storting (Document 1)</p> </div> </div>

We audit central government accounts and the accounts of central government entities, including the government ministries and the Office of the Prime Minister. We also audit the accounts of the Storting, the Sámediggi (the Sámi Parliament) and other entities that have a duty to submit their accounts to the central government, as well as four Nordic organisations based in Norway¹ and the United Nations Association of Norway.

The entities we audit receive an audit report in which we express our opinion on the quality of the accounts and whether the entity in question has breached any of the requirements in the financial regulations.

We also issue a statement on central government accounts. The most important findings are reported in the Office of the Auditor General's annual audit report to the Storting (Document 1).

Guidance and dialogue on financial audits

Entities bear responsibility for submitting accurate accounts and complying with the requirements in financial regulations. We provide guidance during this process, the aim of which is to help ensure that their submitted accounts do not contain material errors or omissions.

We provide guidance in a manner that does not affect the independence and objectivity of the Office of the Auditor General in the subsequent audit.

1.2.2 Annual corporate controls


Each ministry is required to submit documentation to the Office of the Auditor General regarding the entities under their purview. Based on the documentation received, we inspect whether general assemblies and board meetings have been held and documented in compliance with the applicable acts, regulations and decisions.

Building on our assessment of materiality and risk, it may be relevant to carry out further investigations in selected areas as part of the annual corporate control. This may include inspecting whether the ministries act in compliance with laws, regulations and decisions (regulatory compliance) and/or generally accepted principles relevant to the administration of central government's interests in the companies (prudent administration). We report any material cases of non-conformity to the Storting. Any reported instances of non-conformity are normally followed up after two to three years. The aim is then to inform the Storting about what has been done since the investigation was reported.



1.2.3 Performance and compliance audits

When selecting which area to audit, our decision is based on what information we believe will be most useful for the Storting in its oversight of the Norwegian Government. It is normally risk and materiality that determine what we decide to audit. Audit topics must be of major financial or social importance or address matters of principle, or there must be a risk that the Storting's decisions and intentions are not being implemented.

¹ A list of these entities can be found in Appendix 2 to Document 1 (2022–2023).

Performance Audits	
Purpose of our auditing	Major, systematic investigations, the aim of which is to show how the Norwegian Government and public administration have implemented measures adopted by the Storting and the effectiveness of public initiatives
Outcomes of our auditing	 A report on the matter is submitted to the Storting for each audit (Document 3 series)

We systematically monitor key areas of society and use information from a range of external sources, including research environments, academia, the media and our own tip-off channel. We also use information from our financial audits and other audits to select areas to investigate. Audit topics are then prioritised. We then prepare plans and conduct the investigations, either as a performance audit or a compliance audit. As part of the corporate control, we also conduct performance audits of the administration of the central government's interests in enterprises.

Compliance Audits	
Purpose of our auditing	Control that central government entities are spending their funds in the manner decided by the Storting and that they are complying with acts and regulations
Outcomes of our auditing	 Report on the matter for each audit  A summary of all audits is reported to the Storting (Document 1)

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

The audit process

The audit process consists of planning, implementation, reporting and follow-up. During the various phases, we assess whether to proceed with the audit based on analyses of risk and materiality.

Planning

During this phase, we collect information and assess whether an audit is the correct course of action. We prepare a plan for the implementation of the audit. During the planning phase, we engage in dialogue with the auditee – government ministries and enterprises – including on which audit criteria shall be applied.

Implementation

If we consider that an audit might detect major shortcomings and thereby contribute to improvements, the audit is implemented. During this phase, we follow the prepared plan, albeit subject to change if new information comes to light. The most important findings are summarised in a report and conclusions are drawn based on the findings. To ensure that the information is accurately presented in the report, the government ministry or the enterprise is given the opportunity to comment on it. Finally, the report is considered by the Board of Auditors General.

Reporting

Once the report has been considered, it is forwarded to the Storting with comments by the government ministry and the Office of the Auditor General's concluding remarks. After the report has been presented to the Storting, it is published on our website, and the Storting will consider the report in the Standing Committee on Scrutiny and Constitutional Affairs.

Follow-up

All compliance and performance audits that are reported to the Storting shall be followed up after they have been considered in the Storting. The aim is to provide the Storting with information on what measures the audited entity has taken during the period following the audit. The follow-up usually takes place after two to three years.

1.2.4 Levels of criticism

In the cases that we report to the Storting, our criticism adheres to three levels of criticism: *highly objectionable*, *objectionable* or *unsatisfactory*. The Board of Auditors General determines the level of severity in each individual case.

Highly objectionable is the Office of the Auditor General's strongest criticism and is applied where we identify serious weaknesses, errors and omissions that will often entail major consequences for individuals or society at large.

Objectionable is applied where we identify significant weaknesses, errors and omissions that will often entail moderate to major consequences for individuals or society at large.

Unsatisfactory is applied where we identify weaknesses, errors and omissions that are less likely to entail direct consequences for individuals or society at large.

1.3 Organisational structure of the Office of the Auditor General

1.3.1 The Board of Auditors General and the Secretary General

Pursuant to the Constitution of Norway, the Storting shall appoint five auditors-general who comprise the Board of Auditors General. They are appointed for a term of four years and take office at the turn of the following calendar year. At the same time, the Storting appoints the chair and the deputy chair of the Board of Auditors General. The Storting also appoints personal deputy members to the Board of Auditors General.

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

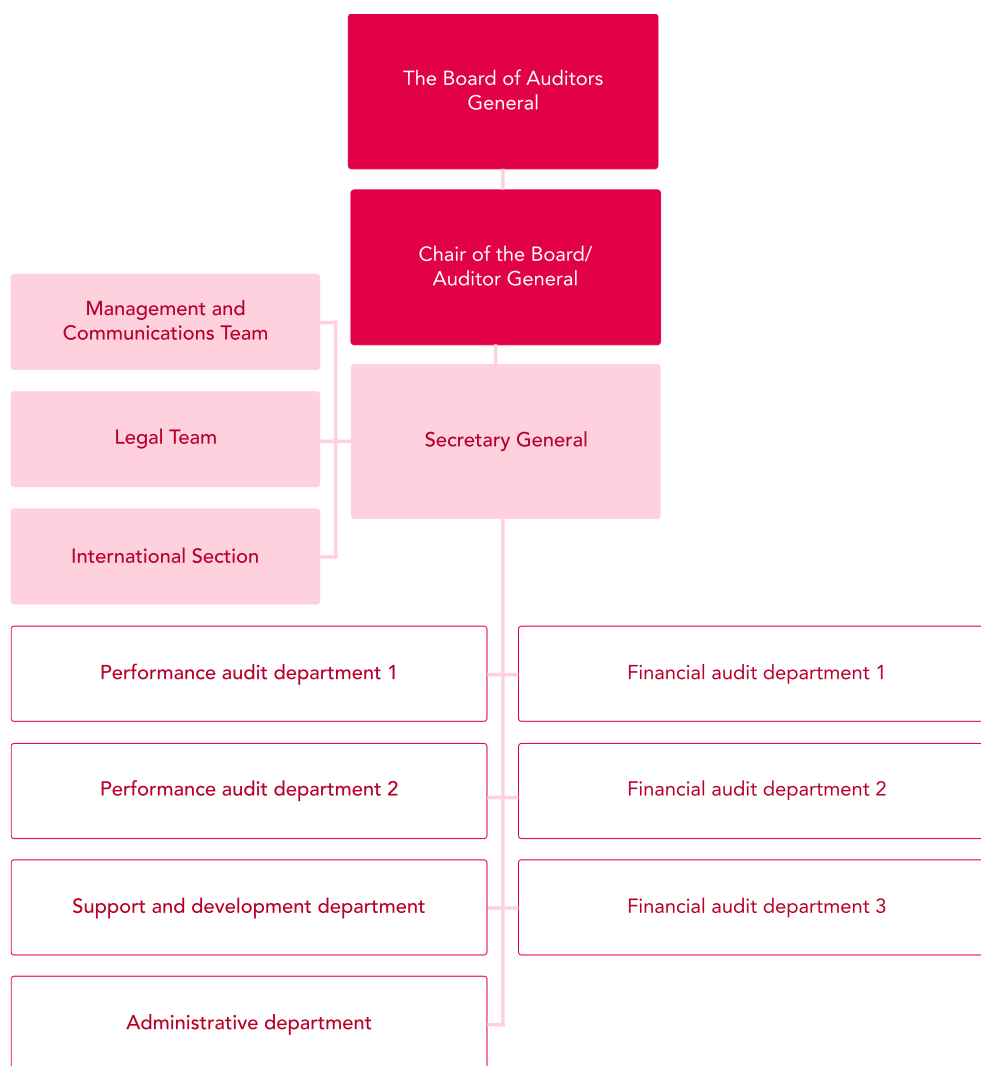
In December 2021, the Storting selected a new Board of Auditors General for the period 2022–2025. Karl Eirik Schjøtt-Pedersen is the Chair of the Board of Auditors General.

The Board of Auditors General 2022–2025		
Auditors General	Role	Deputy members
Karl Eirik Schjøtt-Pedersen	Chair	Svein Roald Hansen
Tom-Christer Nilsen	Deputy Chair	Beate Heieren Hundhammer
Helga Pedersen	Member	Heidi Grande Røys
Anne Tingelstad Wøien	Member	Tor Peder Lohne
Arve Lønnum	Member	Torstein Dahle

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



The Board of Auditors General, from the left: Anne Tingelstad Wøien, Arve Lønnum, Karl Eirik Schjøtt-Pedersen, Tom-Christer Nilsen and Helga Pedersen
Photo: Mathias Fossum/Office of the Auditor General



1.3.2 Organisation, employees and regional presence

The Office of the Auditor General comprises seven departments: three financial audit departments, two performance audit departments, an administrative department and a support and development department. Each department is managed by a Director General. In addition, we have a management and communications team, a legal team and an international section.

The administrative support functions provide services to the organisation. The administrative support 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 year-end 2023, the Office of the Auditor General had 428 permanent employees. Our employees are primarily economists, auditors, lawyers and social scientists. In 2023, we worked 407 full-time equivalent hours.²

Our head office is located in Oslo, and we have regional offices in Tromsø, Bodø, Trondheim, Bergen, Kristiansand and Hamar. At year-end 2023, 68

² Full-time equivalent hours worked shows the actual number of work hours performed.

employees worked outside Oslo. Each regional office had between 8 and 14 employees. Learn more about our organisational structure at www.riksrevisjonen.no.



2 Activities and results in 2023

2.1 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.



For each main goal, we have defined strategies indicating how we will work to achieve the goal.

2.1.1 Goal 1: To be society's foremost provider of current and relevant public auditing

Contribute to the Storting's supervision of the public administration

Members of the Storting express that the Office of the Auditor General's documents are useful in their work, and that they use the information in various ways.³

An external evaluation conducted by Agenda Kaupang in 2022, indicates that three out of four Members of the Storting find the information from the Office of the Auditor General's documents useful. They use the information in a variety of ways, including as a basis for contributions to parliamentary debates (79 per cent), for participation in the public debate (79 per cent) and in connection with policy design (66 per cent). About half of the Members of the Storting also use the reports as a basis for questions to the minister, comments to the media, work on the national budget and legislative efforts.⁴

Furthermore, Agenda Kaupang's evaluation indicates that even if the Storting considers the Office of the Auditor General to be useful and independent there is still a potential to broaden the scope of our supervisory activities with respect to both the issues we investigate and our ability to meet the Storting's information needs in a manner that allows them to monitor the development of critical issues over time. Among other things, the evaluation highlights that the Office of the Auditor General should to a greater extent conduct cross-sectoral investigations.⁵

³ Agenda Kaupang (2022). *Evaluation of the Office of the Auditor General's activities*.

⁴ Agenda Kaupang (2022). *Evaluation of the Office of the Auditor General's activities*.

⁵ Agenda Kaupang (2022). *Evaluation of the Office of the Auditor General's activities*.

We monitor the Storting's use of our reports annually. This shows that in 2023 Members of the Storting used 45 different investigations by the Office of the Auditor General in their work. This is in addition to the ordinary consideration of our investigations. In 2023, 121 references were made to the 45 investigations, categorised as follows:

- debates (meeting minutes) 45
- recommendations 42
- written questions 18
- private member's motion 10
- question time 5
- mention in consultations 1

The most used investigations in the Storting's work in 2023 concern:

- operation and maintenance of roads
- the quota system in coastal and ocean fisheries
- health, education and welfare services for prison inmates

Members of the Storting consistently refer to our investigation reports over several years. Notable examples include their continued reference to reports on staffing challenges in Hospital Trusts and on case processing time and efficiency in the Courts.

Contribute to improving the public administration

According to the public administration, the Office of the Auditor General is thorough and professional in its conduct of audits, and the reports are relevant and suitable for working on improvements. The Office of the Auditor General's reports lead to positive action in key areas of the public administration, such as internal control and fiscal management.⁶

We normally follow up investigations within two to three years of being considered in the Storting. The follow-up of previous audits shows that the public administration implements changes and improvements in the wake of the audits. In some cases, we discontinue our follow-up even though it is too early to assess whether the implemented changes will lead to improvements. This is mainly because we consider the public administration's follow-up to be satisfactory.⁷

In 2023 we followed up on 23 follow-up cases. In 16 of the cases, we discontinued our follow-up, but continue to follow the remaining seven cases.⁸

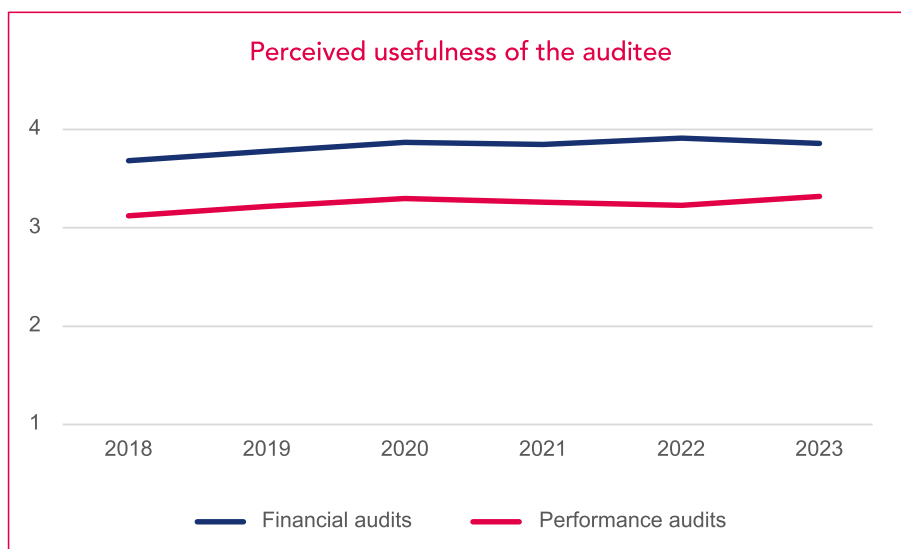
The annual user surveys indicate that the public administration finds our audits and investigations relevant and useful, and that they use them to make specific improvements. The feedback is consistently favourable, with minor variations from year to year. Perceived usefulness has remained stable at a high level in recent years. This applies to both financial audits

⁶ Agenda Kaupang (2022). *Evaluation of the Office of the Auditor General's activities*.

⁷ In certain cases, we may also conclude the follow-up by issuing renewed criticism.

⁸ Document 1 (2023–2024), Document 3:1 (2023–2024) and Document 3:2 (2023–2024)

and performance audits, as shown in the figure below (4 is the highest score).



According to Agenda Kaupang's evaluation, the public administration finds that the Office of the Auditor General has room for improvement in terms of audit approach. The public administration finds that the Office of the Auditor General does a better job at investigating sector-specific issues than cross-sectoral issues. Furthermore, it notes that performance auditing has the potential to contribute to improved resource utilisation. According to Agenda Kaupang's evaluation, the Office of the Auditor General inadequately investigates whether the public administration is optimising its resource utilisation (productivity and efficiency). The public administration finds that the audit of accounts ought to focus more on the risk of irregularities, cybersecurity and whether funds are being used as intended.⁹

During the audits, we disseminate our findings and opinions. These efforts are well suited for promoting learning, development and correction of errors and omissions. The Office of the Auditor General's advice and guidance are perceived as useful, although there is scope for providing further guidance.¹⁰

Conferences and dialogue meetings

Professional conferences are an important arena for disseminating the findings of our investigations. In 2023, both Auditor General Schjøtt Pedersen and representatives from the audit departments spoke at various conferences, including the Digitalisation Conference, organised by the Norwegian Digitalisation Agency (Digdir), Partnerforum's¹¹ autumn conference and the Norwegian Conference for eGovernment (NOKIOS).

In November 2023, we launched our own conference, *The Improvement Conference*. The theme of the 2023 Improvement Conference was *Do we have a Norwegian disease?* The aim was to put the need for increased public sector productivity on the agenda. The target audience was the

⁹ Agenda Kaupang (2022). *Evaluation of the Office of the Auditor General's activities*.

¹⁰ Agenda Kaupang (2022). *Evaluation of the Office of the Auditor General's activities*.

¹¹ Partnerforum is a collaboration between the central government, the University of Oslo (UiO) and the BI Norwegian Business School to create professional meeting spaces to discuss public administration policy.

media, the Storting and the public administration. We presented four new reports during the conference, which addressed the following topics:

- utilisation of IT systems in hospitals
- follow-up of staffing shortages in the healthcare sector
- sharing and reuse of data in the public administration
- digitalisation in the police service

These investigations were used to highlight the need for improved resource utilisation, increased digitalisation and coordination across public enterprises.



The conference received extensive media coverage. The evaluation shows that participants were very satisfied with the subject matter. More than 97 per cent of respondents wish to participate again, and we are planning a new conference in autumn 2024.

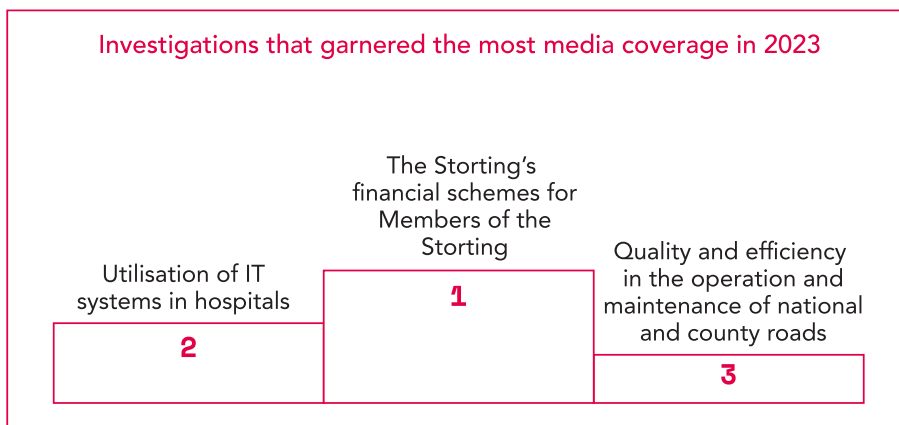
In autumn 2022 and winter 2023, we also held a series of dialogue meetings with key regional actors within the public administration, politics and society across the whole of Norway. At these meetings, we presented our strategic priorities and received input on ideas for future audit topics. The meetings have provided us with valuable insight into the strengths and challenges in each individual region.

We have also used the meetings to promote our regional presence. In the future, we are planning to hold meetings with various organisations, such as interest groups, employers' associations and trade unions.

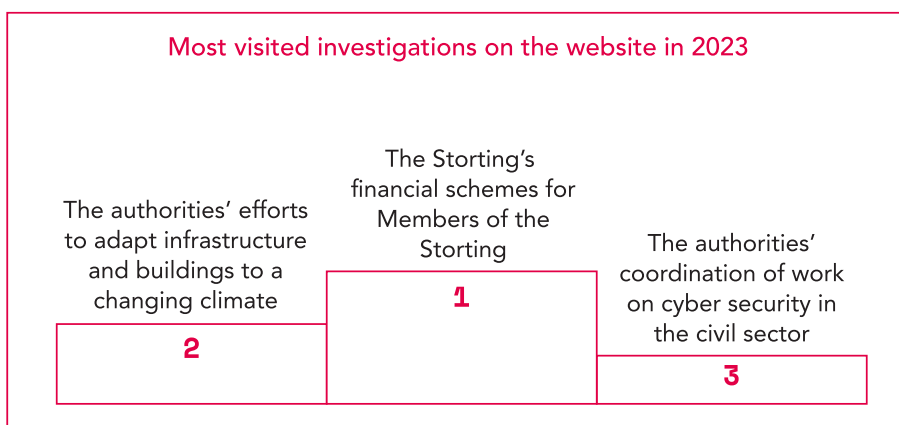
We have also strengthened our dialogue with the public administration, including through meetings with the political leadership in the government ministries and with central government enterprises and companies.

Benefit, credibility and relevance to the public

Our investigations are important contributions to the public debate, and the media is our most important channel for communicating findings to the public. In 2023, the Office of the Auditor General was mentioned approximately 4,800 times in the media. Most media coverage was related to the Office of the Auditor General's conclusions and criticisms. When we publish an investigation, this often generates extensive media coverage during the first few days, but we have also seen that many investigations are used in media reports over time. This indicates that the investigations are viewed as topical and relevant contributions to the public debate.



Our website, www.riksrevisjonen.no, is the main source of information about our findings and recommendations and our social mission. In 2023, the website had approximately 130,000 visits, which represents a significant increase compared with approximately 89,000 in 2022. Visitors to the website are mainly interested in accessing new reports.



A good reputation is important for an organisation like ours, not only in the public administration, but also among the public. In a survey measuring trust in public agencies called *Traction Offentlig*, the Office of the Auditor General was ranked second out of 30 agencies, behind the Norwegian State Educational Loan Fund. The survey was conducted by the communications agency Apeland and the Altinget media agency, where a representative selection of the population was asked to assess the agencies based on six *reputation drivers*: quality, climate change, management, ethics, innovation and resource utilisation. The Office of the Auditor General was rated best in terms of quality and management, third in ethics and fifth in resource utilisation.

2.1.2 Goal 2: To conduct high-quality audits and controls

We assess the quality of our work based on the quality of our audits and investigations (product quality) and the quality of the process and the communication we have with the auditees (process quality).

Product quality in our audits and investigations

Agenda Kaupang's evaluation shows that the quality of the Office of the Auditor General's audits is consistently high. This applies in particular to performance and compliance audits.¹²

Our quality control shows that quality control systems have been established in performance and compliance audits, and that the guidelines are generally abided. We carry out quality controls after the audits have been completed and before the audits are finalised.

Last year we were awarded Quality and Risk Norway's (QRN) Quality Award for public authorities. QRN highlighted, among other things, our systematic and risk-based work on performance audits, our contribution to continuous improvement in the Norwegian public administration and how we have developed our role.

The results of our internal quality control in autumn 2022, revealed serious deficiencies in the quality control system for financial audits in the Office of the Auditor General.¹³

Therefore, we have implemented a number of measures through the quality assurance programme. The Office of the Auditor General's work on professional clarifications in financial auditing is an important measure to rectify deficiencies in the quality control system. The control has also highlighted the need for new audit management tools for financial audits. This will facilitate better documentation and traceability.

The Office of the Auditor General's quality assurance program is an initiative to strengthen the operations and ensure that it operates in accordance with the international standards for quality in public sector auditing. Through this programme, the Office of the Auditor General takes an active step to address and correct identified deficiencies and ensure good governance and follow-up of quality assurance. The programme includes measures in the following domains:

- financial audits
- the quality control system
- internal audits
- competence
- ethics
- strategic planning
- management data
- corporate governance

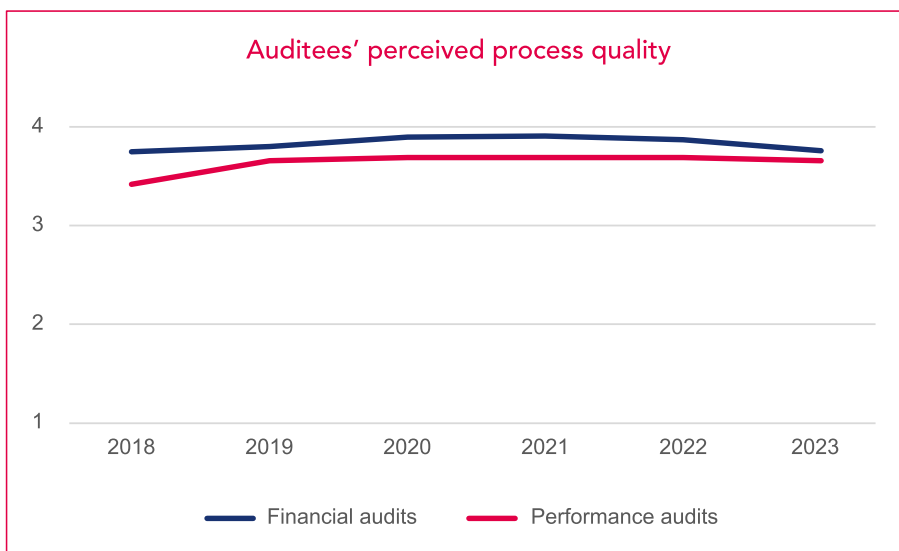
Several measures in the programme have already been implemented, or are in the process of being implemented. The measures in the programme are to be completed by year-end 2024 at the latest.

¹² Agenda Kaupang (2022). Evaluation of the Office of the Auditor General's activities.

¹³ Report to the Presidium of the Storting from the Committee to investigate the activities of the Office of the Auditor General Document 19 (2023–2024), p. 59

Quality of interaction with auditees

We shall be professional, open and user-oriented when communicating with auditees. In the user surveys we distribute to auditees, we enquire how they experienced the audit process and the communication throughout. Over several years, we have received consistently positive feedback, and the public administration finds that the auditing process is good (4 is the highest score).



2.1.3 Goal 3: To be an efficient organisation

The Office of the Auditor General has many ongoing development projects. These are important to ensure that we develop in line with our strategic goals. The deliverables from the project facilitate improved audit efficiency and support functions in the years to come. The benefits mainly relate to cost, time and resource reductions.

The *Seamless* Project was concluded at the end of 2023. Teams-based solutions introduced through this project enable us to carry out work in a professionally sound and secure manner using digital communication solutions. The expected benefits include reduced travel, which will lessen the travel-related burden on employees, and reduced greenhouse gas emissions from business travel. Data on the development of travel activity show that the overall work on new digital communication solutions has already yielded positive results.

The accounting figures indicate that we had a decrease in travel expenses last year of approximately 31 per cent compared to 2017. In nominal terms, this corresponds to savings of approximately NOK 5.8 million.

In 2023, we also completed the project on developing a secure zone and network. The project will contribute to three overall benefits:

- proper security level when working with classified information;
- better working conditions when working with classified information;
- more efficient implementation of classified audits.

Approaching the end of the project, we have already largely achieved the first two benefits. Arrangements have also been made to facilitate more efficient implementation of classified audits through tools for more effective communication and simplification of previously cumbersome solutions. These solutions free up time that can be allocated to audit work.

The project on designing the workplace of the future, following the COVID-19 pandemic, was also completed in 2023. Through the project, a new office solution was developed and approved at the head office in Oslo, without permanent spaces for most employees. Another outcome of the project was a reduction in how much office space we use. This will result in annual rent savings of just under NOK 1 million.

Based on the deliverables from the project on the future Document 1 and digital reports, we have continued to simplify and streamline the work on document production internally.

In the project to improve management information, a prototype for a dashboard containing management information for senior executives was completed in autumn 2023. The dashboard compiles and visualises data pertaining to production, progress and resource use. This will better facilitate systematised and regular information.



The deliverables from the project will contribute to the goal of a more efficient organisation by automating processes, thereby reducing time spent and making management information about the organisation more accessible.

Read more about our development work in section 2.3.

2.2 Audits and controls

2.2.1 Financial audits of the annual accounts and control of national accounts

In 2023, we audited the central government accounts and 236 annual accounts for government ministries, state enterprises and funds for 2022. This includes the annual accounts for the Sámi Parliament.

Result of financial auditing and control of the central government accounts in 2023	
 236 audited annual accounts	<p>4 financial statements contained material errors or omissions</p> <p>1 account on which we are unable to comment</p> <p>2 entities had breached administrative regulations</p>
 Central government accounts are controlled	<p>The Office of the Auditor General's statement</p> <p>The central government accounts are in all material respects correctly prepared and submitted</p>

Document 1 (2023–2024) shows that the central government accounts are largely correct and in accordance with the applicable legislation.

We issue a modified opinion in the audit report if there are material errors or omissions in the accounts or if it is not possible to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion. For the 2022 annual accounts, the Norwegian Institute of Public Health, the Norwegian Mapping Authority, the Norwegian Culture Fund, the Norwegian Agency for Shared Services in Education and Research (Sikt) and the Brønnøysund Register Centre received modified opinions as their accounts contained material errors and omissions. We also detected non-compliance with administrative regulations of two auditees, meaning that the organisations in question have used their permits in a manner that materially breaches administrative regulations on fiscal management in the central government.¹⁴

The central government accounts are a merge accounts 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 government ministries and their subordinate entities, as well as audit processes covering the actual central government accounts. The Office of the Auditor General is of the opinion that the central government accounts for 2022 have essentially been correctly prepared and presented.¹⁵

2.2.2 Annual corporate controls

Each year, we conduct controls on companies in which the central government has a significant ownership interest. The Office of the Auditor General's 2022 control comprised the administration of the central government's interests under 12 government ministries and covered 43 wholly owned private limited liability companies, 24 partly owned private limited liability companies, one partnership with apportioned liability, six public limited liability companies (ASA), eight state-owned enterprises, four regional health authorities, 14 student welfare associations and a further six

¹⁴ Document 1 (2023–2024).







¹⁵ Document 1 (2023–2024).

companies regulated 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 2022 fiscal year has not identified any major shortcomings in the exercise of ownership.


2.2.3 Performance audits

In 2022, the new Board of Auditors General established a framework for strategic prioritisation of performance audits. The purpose of the overarching management signals is to help ensure that the cases we present to the Storting address the most important topics in Norwegian society. Priority is to be given to the following topics:

	Societal transition to address climate challenges		Factors that are of particular significance to society's access to resources
	Civil protection and preparedness, including ICT security		Factors that are of particular significance to society's use of resources
	Improvement of the public sector, including digitalisation		Safeguarding of vulnerable groups

The six topics are not ranked in order of priority. It may also be necessary to investigate other topics based on an assessment of risk and materiality.

In 2023, we reported 15 performance audits (including performance audits of companies) to the Storting¹⁶. Two of these were extended follow-ups of previously reported audits.

Results of performance audits in 2023	
 15 completed performance audits	<ul style="list-style-type: none"> 1 audit revealed conditions that were assessed as <i>highly objectionable</i> 8 audits revealed conditions that were considered to be <i>objectionable</i> 6 audits revealed conditions that were assessed as <i>unsatisfactory</i>

The Storting has emphasised the importance of the Office of the Auditor General carrying out investigations and assessing materiality and risk across the government ministries. We are able to do this because of our unique







¹⁶ In 2023, we reported no audits under the topic of *safeguarding of vulnerable groups*. We reported three audits on this topic in autumn 2022 and plan to report one audit in spring 2024.

access to information. Three of the reported audits in 2023 involved multiple government ministries. The number of such audits varies from year to year. During the last four-year period, we have reported 15 such audits.

Performance audits reported to the Storting in 2023		
Category	Investigation	Report
 Climate change	Enova's contribution to technology and market development of low and zero-emission solutions Ministry of Climate and Environment	Document 3:5 (2023–2024)
	Infrastructure and support functions for combat air force operational capability – a follow-up investigation Ministry of Defence	Document 3:9 (2023–2024)
 Civil protection	The authorities' coordination of work on cyber security in the civil sector Ministry of Justice and Public Security	Document 3:7 (2022–2023)
	The authorities' work to ensure safe drinking water Ministry of Health and Care Services, Ministry of Local Government and Regional Development	Document 3:8 (2022–2023)
	Food security and preparedness in the agricultural sector Ministry of Agriculture and Food, Ministry of Justice and Public Security, Ministry of Trade, Industry and Fisheries and Ministry of Local Government and Regional Development	Document 3:4 (2023–2024)
 Improvement of the public sector	Utilisation of IT systems in hospitals Ministry of Health and Care Services	Document 3:6 (2023–2024)
	Digitalisation in the Norwegian Police Service Ministry of Justice and Public Security	Document 3:7 (2023–2024)
	The authorities' facilitation of sharing and reuse of data in the public administration Ministry of Local Government and Regional Development	Document 3:8 (2023–2024)
 Access to resources	The authorities' work on fish health and welfare in the aquaculture industry Ministry of Trade, Industry and Fisheries	Document 3:12 (2022–2023)
	The work of Norwegian universities and university colleges to improve the quality of study programmes Ministry of Education and Research	Document 3:14 (2022–2022)
	The Norwegian Tax Administration's control of Norwegian citizens' income and assets abroad, as well as cryptocurrency Ministry of Finance	Document 3:3 (2023–2024)


 <p>Use of resources</p>	<p>Quality and efficiency in the operation and maintenance of national and county roads Ministry of Transport and Communications</p> <p>Norway's humanitarian assistance in connection with the crisis in Syria 2016–2021 Ministry of Foreign Affairs</p>	<p>Document 3:11 (2022–2023)</p> <p>Document 3:13 (2022–2023)</p>
<p>Topics outside the strategic priorities</p>	<p>The Norwegian Maritime Authority's work to promote good working and living conditions at sea Ministry of Trade, Industry and Fisheries</p>	<p>Document 3:9 (2022–2023)</p>
<p>Control of the administration of the central government's interests in enterprises</p>	<p>The central government's exercise of ownership in the election of boards of directors in wholly state-owned enterprises Ministry of Trade, Industry and Fisheries, Ministry of Finance, Ministry of Health and Care Services, Ministry of Climate and Environment, Ministry of Local Government and Regional Development, Ministry of Education and Research, Ministry of Culture and Equality, Ministry of Agriculture and Food, Ministry of Energy, Ministry of Transport and Communications and Ministry of Foreign Affairs</p>	<p>Document 3:2 (2023–2024)</p>

At the start of 2024, we were working on a further 19 performance audits. Eight of these involve multiple ministries. Furthermore, nine of the ongoing performance audits are aimed at state-owned enterprises or areas where state-owned enterprises are a significant policy instrument.

Ongoing performance audits at the start of 2024	
Category	Investigation
 Climate change	<p>How the authorities manage and coordinate in order to achieve the Storting's adopted climate targets</p> <p>The work of state-owned enterprises to reduce their climate and environmental footprint</p> <p>Reduction of greenhouse gases in the agricultural sector</p>
 Civil protection	<p>Information security in research within the knowledge sector</p> <p>Implementation of materiel investments in the Norwegian Armed Forces</p> <p>The authorities's efforts to ensure sufficient capacity in the electricity grid to meet the needs of society</p>
 Improvement of the public sector	<p>Risk management in the regional health authorities and health trusts</p> <p>Seamless public transport</p> <p>Use of artificial intelligence in the central government</p> <p>The authorities' work to reduce delays and cancellations on the railways</p> <p>Central government funding for teaching materials and digital infrastructure in primary and lower secondary education</p> <p>Health and welfare technology in the healthcare sector</p> <p>Health platform in Central Norway</p>
 Vulnerable groups	<p>Prevention of youth crime</p> <p>Health and welfare services for persons with serious substance abuse problems</p>
 Access to resources	<p>The authorities' work-oriented assistance for young people who have fallen outside the labour market</p>
 Use of resources	<p>Rehabilitation in the health and care services</p> <p>The Ministry of Foreign Affairs' and Norad's handling of the risk of financial irregularities in international development aid</p>
Control of the administration of the central government's interests in enterprises	<p>Salary and bonus schemes in state-owned enterprises</p>

2.2.4 Compliance audits

Compliance audits involve controlling that central government entities are spending their funds in the manner decided by the Storting and that they are complying with acts and regulations.

The result of compliance audits in 2023	
 <p>5 completed compliance audits</p>	<p>1 audit revealed conditions that were assessed as <i>highly objectionable</i></p> <p>3 audits revealed conditions that were considered to be <i>objectionable</i></p> <p>1 audit revealed conditions that were assessed as <i>unsatisfactory</i></p>

In 2023, we reported five compliance audits to the Storting: three as part of the Document 1 reporting and two stand-alone audits reported in the Document 3 series.

Compliance audits reported to the Storting in 2023	
Investigation	Report
<p>The Directorate for Civil Protection (DSB)'s supervisory activities within electrical safety Ministry of Justice and Public Security</p>	Document 1 (2023–2024)
<p>The Ministry of Defence's compliance with lifetime costs of the F-35 programme Ministry of Defence</p>	Document 3:9 (2023–2024)
<p>Information security and access to personal and health data in health registers Ministry of Health and Care Services</p>	Document 1 (2023–2024)
<p>Clear, comprehensible communication in decision letters from the Public Service Pension Fund and the Labour and Welfare Administration Ministry of Labour and Social Inclusion</p>	Document 1 (2023–2024)
<p>The Storting's financial schemes for Members of the Storting The Storting</p>	Document 3:10 (2022–2023)

At the start of 2024, we were working on an additional five audits. One of these involves multiple ministries.

Ongoing compliance audits at the start of 2024

Grants for climate initiatives

Procurement – framework agreements and security procurements in the defence sector

Central government rental agreements

Consideration of incorrect payments in NAV

Top-up funding programme for particularly resource-intensive health and care services

2.3 Development work

The Office of the Auditor General has many ongoing development projects. These projects are necessary to ensure that we develop in line with the goals set out in our strategy. 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 entails adopting innovative methods and new technology to conduct audits.

As mentioned, a major development initiative has been initiated in the organisation in the form of the quality assurance programme (see the description in section 1.1.2). A key component of the programme is *professional clarifications in financial auditing*. The professional clarifications determine which tasks are to be solved within each of the main areas of financial auditing and clarify the interface between these areas.

We portfolio-manage the largest development initiatives based on a framework for managing and following up the measures. The portfolio is subject to the Secretary General and ownership of each measure is delegated to the relevant departments.

2.3.1 Portfolio of development initiatives

The portfolio contained seven development initiatives at year-end 2023. These initiatives contributed in various ways to strengthening the Office of the Auditor General in relation to our three strategic goals. Below is a brief presentation of some of our most important development initiatives.

Data platform

This initiative involves the development and implementation of a data platform with a solution for secure exchange and receipt, storage and processing of data. We expect that the initiative will contribute to both our strategic goal of enhanced audit quality and the goal of becoming a more efficient organisation. The realisation of the new platform will take place from 2024 to 2027.

New audit management system for financial audits

This initiative was adopted in 2022. We expect the new support tool to contribute to better quality and greater efficiency in financial audits. We plan to purchase and implement a new system in 2024 so that it can be utilised from 2025 when auditing the annual accounts for the 2024 fiscal year.

Management information

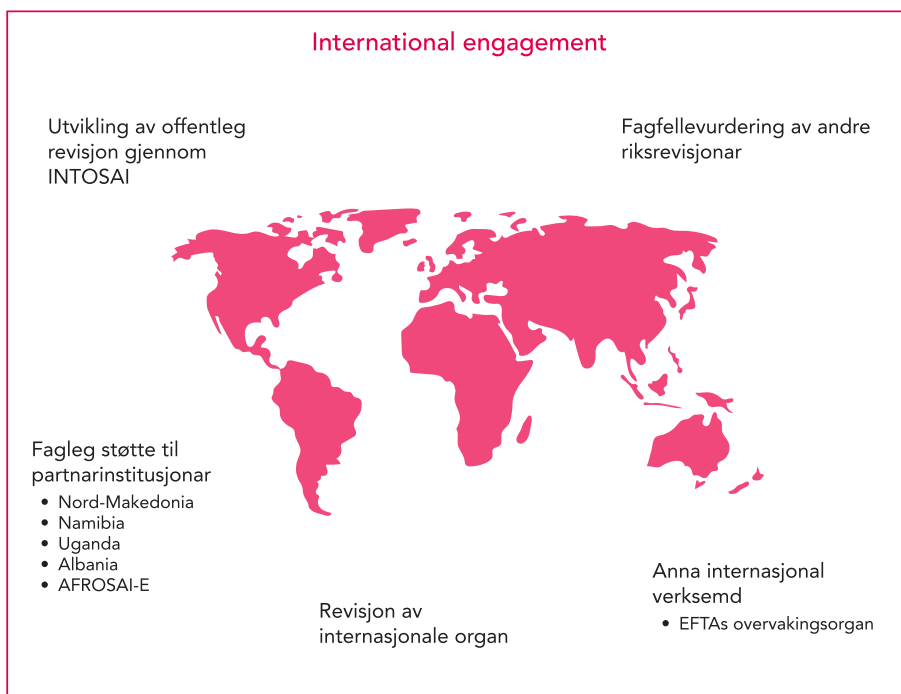
We are also working on a project to improve and systematise management information in the organisation. A prototype for a management information dashboard was completed in autumn 2023. The dashboard compiles and visualises data pertaining to production, progress and resource use.

We expect the deliverables from the project to contribute to the goal of becoming a more efficient organisation, including by freeing up time from manual operations. The project is expected to be completed over the course of 2024.

Other key measures

The portfolio also consisted of other key development initiatives in 2023, including the development and use of digital communication solutions (the Seamless Project), development of the audit of the Norwegian Armed Forces and improvement of competence management in accordance with updated international requirements for supreme audit institutions.

2.4 International engagement



The Office of the Auditor General is involved in a wide range of international work. We participate in international organisations for supreme audit institutions and in partnerships to strengthen supreme audit institutions in

weak democracies, in addition to undertaking audit assignments for international organisations.

The Office of the Auditor General's international engagement are as follows:

- We are to strengthen the international standing of public auditing. This is achieved in particular by providing technical support to supreme audit institutions in developing countries and by contributing to the work of establishing good international standards for public auditing.
- We are to ensure learning and development through professional dialogue. The sharing of experiences and knowledge is fundamental for the development of our own operations.

2.4.1 Development of public auditing

Internationally, most of the development work on public auditing is done under the auspices of The International Organization of Supreme Audit Institutions (INTOSAI), which is the global umbrella organisation for supreme audit institutions. The organisation develops standards and a common international framework for public auditing, contributes to knowledge sharing and promotes the independence of supreme audit institutions.

The Office of the Auditor General contributes to INTOSAI in several ways. The chair of the Board of Auditors General is a member of the Governing Board of INTOSAI. In addition, we head the overarching coordinating body for the further development of international standards for public auditing, and we are represented on the committees responsible for developing standards for financial auditing, performance auditing and compliance auditing. We are also members of other committees and working groups in INTOSAI that are particularly relevant to our work.

Cooperation with the Nordic supreme audit institutions remain a priority. At the 2023 Nordic Auditors General's meeting in Helsinki, the sharing of experience with strategy work was a key topic, in addition to mutual briefings on current issues and discussions on various forms of Nordic and other international cooperation.

We also collaborate with supreme audit institutions at the forefront in areas including data analysis, visualisation, use and auditing of machine learning algorithms and artificial intelligence. We are currently cooperating with supreme auditing institutions in the United Kingdom, Germany, the Netherlands, Finland and Brazil.

2.4.2 Professional support to partner institutions

Common international standards on auditing provide us with a good basis for assisting other countries' supreme audit institutions in their respective efforts to improve the management of public resources. This in turn supports Norway's foreign and development-policy objectives by promoting good governance and combating corruption.

The Office of the Auditor General's employees take on the role of facilitators and sounding boards, and work alongside our partners' employees. An underlying principle for our international engagement work is that we assist the institutions in ongoing processes. Our greatest strengths in this context are that we possess a broad expertise and employ a flexible approach. Our presence and long-term perspective on cooperation are two mainstays in such projects. We use only our own employees in international engagement work. We only cooperate with supreme audit institutions where we believe it is possible to contribute to genuine improvements.

Employees who contribute to international assignments gain experience with international cooperation, develop useful expertise in auditing and international standards, are given practice in communicating professional issues and gain increased insight into and knowledge of the role and mandate of supreme audit institutions.

In 2023, the Office of the Auditor General has continued our bilateral institutional cooperation with the supreme audit institutions in North Macedonia, Namibia, Uganda and Albania. We have also continued our work to ensure regional anchoring via our close collaboration with the African Organisation of English-speaking Supreme Audit Institutions in Southern Africa (AFROSAI-E).

We also engage in cooperation via the INTOSAI Development Initiative (IDI), which the Office of the Auditor General hosts (read more about the IDI in Appendix 4).

Special priority area in 2023: support for the development of IT auditing

IT systems are key to most public enterprises. Internationally, we are experiencing a greater demand for enhanced expertise on IT systems and a better understanding of how they impact security and risks in various organisations. An assessment or control of the IT system is known as an *IT audit*. Our IT audit team possesses expertise and capacity that we are able to share internationally. We engage in capacity-building efforts at other supreme audit institutions to enable them to carry out IT audits of their auditees. At the same time, our organisation gains useful lessons from such cooperation.



Visit to the State Audit Office of the Republic of North Macedonia
Photo: The Office of the Auditor General

Costs of our development cooperation

We reported around NOK 11.8 million in development assistance to OECD-DAC in 2023, compared with NOK 10.4 million in 2022 and NOK 15 million in 2019, the last year before the global pandemic. This figure includes our development cooperation costs, which consist of direct costs and salary for participating staff members.

2.4.3 Peer reviews

Peer reviews are conducted to obtain an external opinion on whether a supreme audit institution is efficient and operating in accordance with applicable standards. A peer review consists of a team of employees from one or more supreme audit institutions which performs an evaluation and submits a report on its findings to the supreme audit institution in question.

In 2023, we conducted a peer review of the U.S. Government Accountability Office (U.S. GAO). The Norwegian Office of the Auditor General led the work and brought with its employees from the supreme audit institutions in Sweden, Canada and New Zealand. The report from the peer review was submitted to the GAO at the end of September and published on their website (<https://www.gao.gov/products/d25791>). The peer review team and Auditor General Schjøtt-Pedersen presented the report in Washington, D.C and Schjøtt-Pedersen also held a guest lecture for the GAO management team.



Auditor General Schjøtt-Pedersen hands over the peer review report to the U.S. Comptroller General. Photo: The Office of the Auditor General

2.4.4 Auditing of international organisations

The Office of the Auditor General wishes to contribute to greater transparency and better administration in the international organisations of which Norway is a member state. Therefore, we conduct external audit assignments for international organisations and are represented on the audit boards of a number of organisations. We gain valuable knowledge from such assignments. Nevertheless, the Office of the Auditor General has in recent years deliberately deprioritised international audit assignments. The reason for this is the resource-intensive nature of applying for such assignments, and that it is difficult to obtain full cost reimbursement for assignments as an external auditor for international organisations.

In 2023, we chaired the EFTA Board of Auditors, and entered our final year as the external auditor for the European Centre for Medium-Range Weather Forecasts. In addition, we were represented on the audit boards of the European Patent Office and EUROCONTROL.

2.4.5 Cooperation with the EFTA Surveillance Authority

We have a Memorandum of Understanding (MOU) regarding cooperation with the EFTA Surveillance Authority (ESA). This was signed in 2020. We exchange experience through meetings, informal dialogue, competence-development and secondment opportunities. The MOU was continued in 2023, primarily through an informal cooperation on state subsidies, in particular for innovation and *green funding*.

3 Quality assurance and management

The Commission appointed by the Storting to evaluate the work of the Office of the Auditor General submitted its report at the end of 2023. In the evaluation of the Office of the Auditor General as an organisation, the Commission notes that the Office of the Auditor General lacks an integrated and satisfactory system for internal control, quality control and quality assurance. In October 2023, we adopted a quality assurance programme based on the work of the Commission as well as information uncovered by the Office of the Auditor General's own quality controls.

The Office of the Auditor General's quality assurance programme is an initiative aimed to strengthen the organisation and ensure that it operates in accordance with the international standards for quality in public auditing, which include management, ethics, expertise, performance of tasks and monitoring of the organisation. A comprehensive system must over time become part of the Office of the Auditor General's strategy, culture, guidelines and procedures.

In 2023, we worked on establishing an ethics control system in accordance with international standards, in order to assess, analyse and manage ethical risk. We have also worked to improve our competence management system which is an effort that will continue in the years to come.

The quality assurance programme also includes measures to improve corporate governance through, among other things, improving the content and structure of our governing documents and better use of resource and financial data in ongoing management and to assess our own efficiency. We have also decided to establish internal auditing in the organisation.

3.1 Strategic plan

Our current strategic plan, which has been approved by the Board of the Auditors General, applies to the period 2018–2024.

In 2023, we have undergone a comprehensive process in the organisation to prepare a new strategic plan for the period 2024–2027. We retain our vision “Auditing to benefit the society of tomorrow” as the guiding principle for our work, but are considering adjusting the main goals and the strategic means to realising the changes we seek.



Photo: Hest Agentur / The Office of the Auditor General

3.2 Annual performance plan

The strategic plan is operationalised through our annual performance plan, which is based on the organisation's available resources and frameworks. Within these frameworks, we set overall priorities for our auditing,

international efforts 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. When prioritising development initiatives and other measures and expectations that are included in the performance plan, we also consider what would be the most important risk areas for the Office of the Auditor General.

We assess our performance and goal attainment based on a defined set of sources of information. This enables the management and Board of Auditors General to assess whether the organisation's results are satisfactory or whether measures are necessary to improve our level of goal attainment. We carry out annual assessments of our performance which then form the basis of our internal risk assessment (see section 2.1 on performance assessment).

3.3 Working environment, right of co-determination and sick leave

Working environment

It is important for us to have a good working environment at the Office of the Auditor General. In 2023, we conducted a working environment survey (MUST – State employee survey). At the organisational level results were largely good, but there were considerable differences between the various departments.

At the organisational level, we scored well in terms of leadership climate and the degree of psychological safety. The results also indicated that employees experience relatively few conflicting demands in their jobs. However, the organisation overall scored slightly lower in terms of autonomy at work, workload and time pressure. Additionally, there were some uncertainties regarding the future content and conditions of work. However, these results are within the normal range compared to other government entities. There was also some variation in results across different departments.



Photo: Hest Agentur / The Office of the Auditor General

In 2023, we introduced several measures to improve the onboarding of new employees. In addition, it is important for us to meet the needs of each individual employee through continuous competence development and individual adaptations with respect to life situation and employee involvement. We offer a high degree of flexibility and monitor trends in society that may have a bearing on our role as an employer.

Competence development – Continuous Professional Development

The most important and comprehensive work we do in terms of continuous professional development is our day-to-day work.

Activities also include basic audit training and specialized training in topics, methods, and tools. We provide forums for maintenance and update of auditing expertise, as well as internal structures for professional discussions. Other key components are coaching, mentoring, and on-the-job training.

In 2023, we specifically focused on establishing a scheme for acquiring three years of audit practice in order to become certified as a state authorised auditor by The Financial Supervisory Authority of Norway (Finanstilsynet).

Attractive workplace

The Office of the Auditor General wishes to be an attractive workplace for current and future employees. We are pleased to note that our efforts in this respect have resulted in us becoming a more attractive employer in 2023 according to Universum's surveys. These surveys show which companies Norwegian students perceive as most attractive, and we are now Norway's 66th most attractive employer among students and in 63rd place among candidates with seven to eight years of experience. This means that we have climbed 13 and 17 places respectively from 2022.

Cooperation and right of co-determination

It is important to us that employee representatives and the employee safety service are able to attend to their duties in a satisfactory manner. This helps ensure sound processes and a better decision-making basis.

The employees' labour organizations regularly meet the employer to consider issues in accordance with the Basic Agreement and the Main Collective Agreement within the central government. According to the annual evaluation, the parties find that this cooperation is excellent.



Photo: Hest Agentur / The Office of the Auditor General

We have an active Working Environment Committee and local safety representatives who help safeguard the interests of the employees in matters concerning the working environment.

Sickness absence

Follow-up of sickness absence is important, and together with the occupational health service we work on safeguarding and prevention efforts in relation to HSE.

Total sickness absence in 2023 amounted to 6.6 per cent, compared to 6.7 per cent the previous year. The high rate of sickness absence that we have experienced in the past two years is unusual at the Office of the Auditor General. We are monitoring this situation closely and working to identify reasons for sickness absence and provide adaptations for both permanent

and temporary employees where needed. These efforts are mainly occurring through dialogue between the employee and his or her manager, with the possibility of assistance from HR or the occupational health service.

3.4 Diversity, inclusion, and equality

The Office of the Auditor General has entered into an agreement with the employee representatives on equality, inclusion, diversity, and non-discrimination. The agreement is enclosed with the adjustment agreement and describes, among other things, how we will safeguard the employer's liability pursuant to the Equality and Anti-Discrimination Act.

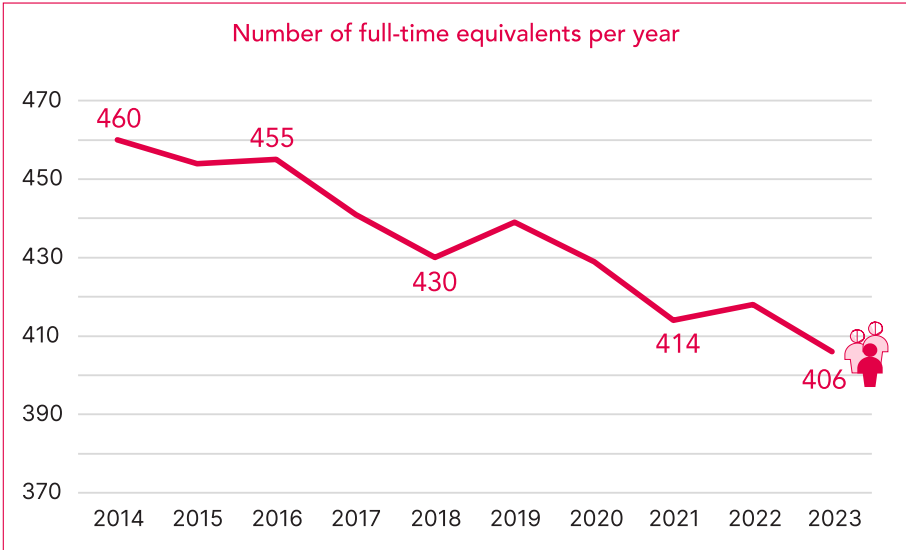
In the following paragraphs, we outline how we carried out our activity and reporting duties in accordance with the obligations in the Equality and Anti-Discrimination Act

Recruitment and development in full-time employees

The gender distribution among those who applied for vacancies in 2023 shows a preponderance of female applicants; 332 women compared to 221 men. Among the applicants, 89 had a foreign background, there were 14 applicants with disabilities and 18 who had gaps in their resumes. This represents an increase in the number of applicants in all the aforementioned categories. These figures are based on self-reporting in Webcruiter, which is our recruitment system.

A total of 25 new employees were hired in 2023. Of these, 18 were women and seven were men. Two of the employees have a foreign background. We did not hire any persons with disabilities or with gaps in their resumes, as these applicants did not have the necessary qualifications for the positions.











Full-time equivalent hours worked shows the actual number of work hours performed. The number of full-time equivalent hours worked has been reduced from 460 to 406 in the last nine years, which is a decrease of 12 per cent.



Gender distribution, pay and working conditions

At end-year 2023, 61 per cent of our employees were female.

In the middle management group, the target of at least 40 per cent representation of both sexes has been achieved, whereas in the senior executive group there are less than 40 per cent women. In all case officer and administrative positions, women make up over 60 per cent of the workforce.

Gender representation in the various position categories		
Position category	Women (%)	Men (%)
Senior executives	 37.5	 62.5
Middle managers	 54.1	 45.9
Higher case officer positions	 61.6	 38.4
Other case officer positions	 68.6	 31.4
Other positions	 71.4	 28.6

Our local salary policy is based on the principle of fair pay and distribution of work. We emphasise that there will be equal pay for equal work and equality between the sexes, and that everyone must be assessed based on performance and capacity in the context of life stage and employment full-time equivalent.

In general, there are only small pay differences between men and women at all levels. However, the internal statistics show that women earn slightly less on average at all levels. For managers (directors general, deputy managers and heads of section), women earn 97.2 per cent of what their male counterparts make, while for women in case officer positions, this figure is 98.6 per cent.

There are no involuntary part-time positions at the Office of the Auditor General. We normally only advertise full-time positions, but make arrangements for part-time if employees so request. At the end of 2023, a total of seven per cent of employees had a reduced full-time equivalent,

either in the form of a temporarily or permanently reduced full-time equivalent. Of these, 90 per cent were women.

During 2023, ten women and five men took parental leave. The women represented 78 per cent of the parental leave taken. In addition, one woman and one man were receiving partial parental benefits.

We make little use of temporary employment at the Office of the Auditor General. The two employees in temporary positions over the course of 2023 were both female students.

Promotion and development opportunities

To the extent possible, employees should be given equal educational opportunities and opportunities to qualify for new work tasks, in particular with a view to management tasks. This must be understood in the context of our life phase policy and the life situation of the individual employee.

The Office of the Auditor General is a highly skilled organisation, and we devote considerable resources to continuous competence development. These activities range from basic training in auditing to the development of specialist expertise. In 2023, we have worked with a new system for competence development. A scheme has also been established for acquiring three years of audit practice in order to become a state-authorised public accountant.

Adaptation and the possibility to combine work and family life

Our life phase policy is part of our HR policy and is based on the central government employer policy and the objectives in the Norwegian Inclusive Workplace Agreement.

We shall be an attractive workplace for employees in all phases of their professional careers. We emphasise individual measures that are adapted to the life situation or life phase of the individual employee, and which are directed towards the opportunities of the employee rather than any barriers that may exist. We make arrangements for employees with special needs. The life-phase policy was evaluated in 2023.

Employees who require accommodations due to their health or life situation receive individual adaptations of work tasks, equipment at the workplace, working hours and attendance.

Discrimination, bullying and harassment

A working environment survey was conducted in 2023. The survey showed that one in five has noticed that employees were given differential treatment. Through an evaluation of the life-phase policy, it has emerged that differential treatment is largely a matter of differences in personnel follow-up and the practicing of various schemes, e.g., paid compassionate leave. To contribute to more equal practice, we have provided additional examples in the life phase policy and practiced cases with managers. This is a topic we will continue to monitor in the future.

According to the results of the working environment survey, no one at the Office of the Auditor General has experienced unwanted sexual attention. However, 3.6 per cent of the respondents reported having been bullied. Although this figure is low, we have zero tolerance for bullying at the Office of the Auditor General. In connection with the evaluation of the life phase policy, we therefore examined the reasons for these responses in greater detail.

The results of the working environment survey have been discussed in the Working Environment Committee, and experiences of bullying and discrimination are followed up by measures in the performance plan, the quality assurance program and the HSE action plan. All units follow up their own measures at the department and section level.

Assessment of the results of the efforts

Overall, we believe the measures we have taken are in line with our aim to promote equality, inclusion and diversity and to prevent discrimination. These topics all represent continuous efforts. In order to maintain focus and ascertain that we are on the right track, it has been decided that we will conduct a new working environment survey in 2025. One of our HSE targets is to increase the hiring of persons who are currently unemployed. We have not met this target in 2023. Due to a considerable workload in 2023, we found that there was no opportunity to launch separate processes to bring in persons who require work training, persons with disabilities or persons who have gaps in their resumes. In 2024 we will enter into cooperation with a third party to facilitate work training, which has previously been a positive experience at the Office of the Auditor General. We will also reassess measures to include persons with disabilities or persons with gaps in their resumes.

3.5 Sustainability

The Office of the Auditor General maintains a particular focus on areas such as energy consumption, procurements and travel.

Our head office has received the environmental certification *Very good* according to the BREEAM NOR standard¹⁷. The building is assessed as energy class A and has systems that regulate heating and ventilation 24/7 and that automatically deactivate lights in rooms where there is no activity. As a result of high energy costs and uncertainty in Europe, we continue to work on with energy-saving measures. This mainly relates to ventilation times, temperature settings, a restrictive use of additional heating sources and car charging. This has led to reduced energy consumption.

¹⁷ BREEAM-NOR is a comprehensive environmental assessment method and rating system for buildings. It measures the sustainability of a building against a set of criteria.

We set several environmental requirements when making procurements. The environment is weighted 30 per cent in all procurements above the threshold value. Our office furniture has been manufactured in accordance with environmental criteria, our office supplies and cleaning materials bear the Nordic Swan Ecolabel, and our IT equipment is energy efficient. Statistics show that in 2023, 75 per cent of the Office of the Auditor General's purchases via the central government office supplies agreement were eco-labelled.



Photo: The Office of the Auditor General

We have extended the normal lifespan of computer equipment from three to five years. Disused IT equipment is delivered to Foxway AS, where the IT equipment is reused. For every computer that is reused, we contribute to reducing CO₂ emissions, reducing the consumption of raw materials and stimulate a development entailing more efficient use of the products. We have significantly reduced our consumption of paper, in part by switching to digital publication of our reports since 2020. PaperCut is installed on all multifunction machines, which reduces unnecessary printing.

We have entered into an agreement with the canteen operator which sets more stringent environmental requirements for, among other things, packaging and single-use items and for increasing the use of organic food (15 per cent). This share was a few percentage points low during the first year of operation, but we expect the share to be at least 15 per cent in 2024.

The Office of the Auditor General has discontinued the use of company cars and has since 2022 been using the car-sharing service Bilkollektivet.

In the coming years, we aim to reduce the number of travel days, air travel and the amount of greenhouse gas emissions over time. This is in line with the UN Sustainable Development Goals. In 2021, new and more stringent guidelines were adopted for business travel in the central government. Specifically, our aim in 2024 is to reduce travel activity by 35 per cent compared to 2017 levels. Use of digital solutions for communication and interaction and flexible home office arrangements contribute to reduced travel. However, audits of organisations nationwide, our international engagements and our regional presence necessitate a certain amount of travel activity. Statistics on CO₂ emissions from our travel agency Berg-Hansen, show that the total number of flights decreased by 12 per cent from 2022 to 2023. The reduction was 10.8 per cent for domestic travel and 17.6 per cent for international travel. CO₂ emissions were reduced by 19 per cent.

4 Future prospects

The Office of the Auditor General's vision is Auditing to benefit the society of tomorrow. Norway is facing a number of major challenges related to, among other things, climate change, an ageing population and declining government revenues from the petroleum industry – all of which will have consequences for public sector budgets. This places new and higher demands on the public administration. Against this backdrop, we aim to provide topical and relevant budgets that add value to the Storting, the public administration and the population.

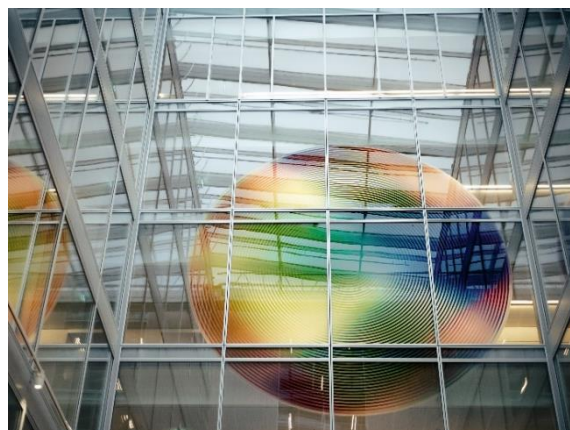


Photo: Ilja C. Hendel / The Office of the Auditor General

To achieve this, we will prioritise audits in the areas of climate change, civil protection, improvement of the public sector, access to and use of resources, as well as safeguarding vulnerable groups.

In November 2023, we organised the inaugural Public Sector Improvement Conference (see description of the conference on page 19). This conference allows us to clearly highlight the work we are doing to improve the public sector. We are planning a new conference in November 2024. We have also launched an internal initiative aiming to deliver more audits that can provide the Storting with additional information on productivity and efficiency in the public sector.

The Office of the Auditor General plays an important role in improving and restructuring public enterprises. Our ambition is to enhance the dialogue with the public administration in order to understand their characteristics and needs. The aim is to contribute to the development of the public administration, including by placing greater emphasis on guidance. To do so, we need to balance our controls of the public administration with guidance and contribution to the improvement of public enterprises. In 2023, we engaged in dialogue with various standing committees at the Storting, with the leadership of several government ministries and with regional actors. We will continue such dialogue in years to come.

Developments in society place significant demands on us in terms of competence and the way we communicate our findings, conclusions and recommendations. In the coming years, we will therefore place considerable emphasis on further developing competencies in the organisation and recruiting new competencies where necessary. In order to succeed, we need to be an attractive employer that offers good facilities for employees while simultaneously maintaining the high pace of our development and streamlining.

We will complete the work on the new strategic plan during the spring of 2024. The content will be coordinated with the Storting's decision on a new act relating to the Office of the Auditor General. The new strategic plan will take effect from 1 July 2024. As mentioned, the implementation of the quality assurance program will also be key in 2024. The budget situation is tight,

and the financial scope going forward will require difficult prioritisations, especially in terms of investments in technology and competence.

5 Budget and financial statements 2023

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 our 2023 financial statements, meaning that the financial statements do not contain any material errors or omissions. The financial statements, with notes and the auditor's report, have been submitted to the Presidium of the Storting.

Budget and cash accounts for 2023 (in NOK thousands)

Chapter	Item	Financial statements 2022	Budget 2023	Financial statements 2023	
0051	The Office of the Auditor General				
	01	Operating expenses	583,702	618,004	612,866
	75	Grants to international organisations and networks	28,600	28,700	28,700
		Total recognised expensed	612,302	646,704	641,566
3051	The Office of the Auditor General				
	01	Reimbursements	1,953	2,000	2,219
	02	Reimbursements abroad	1,152	300	1,429
		Total recognised income	3,105	2,300	3,647

5.1 Executive salaries

The salary of the Chair of the Board of Auditors General is determined by the Storting and was NOK 1,767,890 as per 1 May 2023. The remuneration of the other four members of the Board of Auditors General is 11 per cent of

the Chair's salary. 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 targets, boost results and performance, and promote good management.

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 2023, the annual salary of the Secretary General was NOK 1,951,154 (from 1 May).

The seven Directors General are in salary band C, which covers the salary range from NOK 1,598,270 to 1,657,680. The average salary amounted to NOK 1,631,056.

5.2 Under-utilisation of the budget

The Office of the Auditor General's total allocation under chapter 0051 was NOK 646.7 million in 2023, including NOK 18 million carried over from 2022. NOK 641.6 million was expensed under this chapter in 2023. This resulted in underutilisation in the amount of NOK 5.1 million, which is less than 1 per cent of the year's allocation.

One of the reasons for the underutilisation is the accrual of costs, where two major purchases were made in 2023, while the invoices are due for payment in 2024. In addition, offered courses and competence development were not utilised to the extent planned, and some measures were also deferred to a later date.

In accordance with Section 5 of the Appropriation Regulations, the Office of the Auditor General has applied to have the funds carried over to 2024. These funds will be used to cover incurred expenses and other development projects.

In 2022 and 2023, the Office of the Auditor General has been able to carry out a number of development measures and investments as a result of, among other things, the underutilisation of budgets during the global pandemic. Going forward, we must assume that the need for development and investment funds will have to be covered by the ordinary appropriation.

Appendix 1:

Management's comments to the Annual Accounts 2023

Appendix 2:

Annual accounts of the Office of the Auditor General 2023

Appendix 3:

Auditor's report

Appendix 4:

Information about the INTOSAI Development Initiative

Briefly about the IDI

The INTOSAI Development Initiative (IDI) is a development body which supports supreme audit institutions in developing countries. The IDI supports the enhancement of auditing capacity of supreme audit institutions in these countries through needs-based, targeted and sustainable development initiatives. Activities include competence development for managers and employees, organisational development, and strengthening of institutional capacity. The IDI is an integral part of INTOSAI (the International Organization of Supreme Audit Institutions), the global umbrella organisation for supreme audit institutions, and it 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 by 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 2023, the remaining seven seats were held by the Auditors General of Bhutan, Indonesia, Kenya, Saudi Arabia, South Africa, Sweden and Austria. During 2023, the Auditors General of Indonesia and Sweden were replaced by the Auditors General of Brazil and the United Kingdom.

In 2023, the IDI Secretariat consisted of 51 full-time equivalents and is located in the Office of the Auditor General's offices in Oslo. The Secretariat has four official working languages: Arabic, English, French and Spanish. The Secretariat also has an international section with staff from 30 different countries.

The INTOSAI donor cooperation

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 number of donor organisations has since risen to 23. 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. The INTOSAI donor cooperation funds, among other things, 17 supreme audit institutions in particularly vulnerable states.

In 2022, former Prime Minister of New Zealand and Head of the United Nations Development Programme (UNDP), Helen Clark, was appointed as IDC Goodwill Ambassador for SAI Independence. This is a new role, the purpose of which is to increase awareness of independence as a precondition for supreme audit institutions to effectively perform their role.

Results and activities

In 2023, the IDI has continued to support supreme audit institutions in countries where the economy is under great pressure and where corruption is on the rise due to such things as the pandemic, crises, war and internal unrest. Democratic decline in many countries has also given rise to increasing challenges with respect to the independence of supreme audit institutions. In 2023, IDI has, among other things, supported the supreme audit institutions in Poland, Montenegro, Croatia and Sierra Leone, where there have been concrete attempts to undermine the independence of these institutions.

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 2023. The standards are

compiled in a comprehensive framework¹⁸ that includes requirements for supreme audit institutions' mandate, organisation and methods. Supreme audit institutions in developing countries generally require considerable support in connection with the introduction of these standards. In order to strengthen the quality of audits, IDI has introduced a certification program for public sector auditors in the fields of financial, performance and compliance auditing.

Furthermore, the IDI has in 2023 supported supreme audit institutions in development with the following:

- Auditing of implementation of the UN Sustainable Development Goals
- SAI independence
- Strategic planning and reporting
- The global Supreme Audit Institutions Performance Measurement Framework (SAI PMF)
- Audits of public procurements
- Audits of national efforts to prevent domestic violence
- Risk and crisis management
- ICT practices and management
- Personnel management, ethics and equality in supreme audit institutions
- Follow-up of audits of the use of COVID-19 funds
- Strengthening of the supreme audit institutions' cooperation with key actors, including as Parliament and civil society
- Masterclass for supreme audit institutions

A total of 162 supreme audit institutions took part in the IDI's activities in 2023. A number of donor organisations also participated, at their own expense. More than 2,100 employees in various supreme audit institutions have taken part in IDI initiatives. In 2023, around six per cent of the participants came from the senior management level in the supreme audit institutions, compared with two per cent in 2022. The IDI attaches particular importance to strengthening the management function in supreme audit institutions, as 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 access to the necessary resources to implement the initiatives.

The IDI's work is carried out in collaboration with INTOSAIS' specialist committees and working groups which develop standards and guidelines, and which can contribute expertise to the IDI's projects. Gender equality is promoted through the IDI's various initiatives. In 2023, 49 per cent of the participants from the supreme audit institutions in the IDI's initiatives were women, which is the same level as in 2022. The IDI works to ensure that it maintains a high proportion of women.

In addition to global and regional initiatives for groups of supreme audit institutions, the IDI has continued to provide special bilateral support to supreme audit institutions in vulnerable countries including Somalia, South Sudan, Gambia, Madagascar and the Democratic Republic of Congo. IDI is also actively working to mobilise additional supreme audit institutions to enter into cooperation with sister organisations in developing countries.

The work to continuously improve the IDI's planning and reporting of goal attainment has continued in 2023. 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.

New strategic plan

¹⁸ ISSAI: International Standards of Supreme Audit Institutions

Last year marked the end of the IDI's strategic plan for the period 2019–2023. The plan contained four main areas of work: the independence of supreme audit institutions, professionalism, relevance and governance. In addition, equality goals have been integrated into more of the IDI's work. An independent evaluation of the IDI shows that the IDI has largely achieved the goals of the strategic plan despite the difficult geopolitical situation and the many challenges that supreme audit institutions face globally.

In 2023, the Board of IDI adopted a new strategic plan for the period 2024–2029. The plan retains the main areas of work, but contains three strategic goals which apply, where appropriate, to accountability, digitalisation and public trust in supreme audit institutions.

Funding and economics

The Office of the Auditor General of Norway's earmarked grant for the operation of the IDI Secretariat in 2023 accounted for roughly 29 per cent of the total grant funding to the IDI, compared with 36 per cent in 2022. A substantial portion of the IDI Secretariat's costs (mainly salary and travel expenses) was related to specific activities, while a smaller portion covered internal administration. The operating grant is essential for enabling the Office of the Auditor General to host the IDI.

In 2023, grants to fund the IDI's capacity development initiatives were received from donors in 12 countries¹⁹, in addition to the EU, the Asian Development Bank (ABD) and membership fees from INTOSAI. Financial support from donors is essential to the IDI's activities. The IDI has had a stable group of donors. In 2023, a number of supreme audit institutions have also provided valuable support for the IDI's activities through the provision of services. This includes the provision of 366 resource persons for the IDI's initiatives, hosting of IDI activities (with an estimated value of NOK 0.6 million), and the translation and printing of documents.

Key figures and information:

- In 2023, the costs of the operation of the IDI Secretariat amounted to NOK 110 million, an increase of approximately 10 per cent compared to 2022.
- The budget for 2024 amounts to NOK 131 million and reflects, among other things, continued growth in the demand for support from the IDI, strengthening of the organisation to shift from in-person to remote meetings, as well as an expected increase in prices and salaries.
- The annual accounts for 2023 are based on the assumption that the organisation is a going concern.

¹⁹ Norway, Sweden, Canada, France, Ireland, Latvia, Qatar, Saudi Arabia, Switzerland, Germany, Austria and the USA