

Controller, file no. 102.G.36.a.5.

NOTICE FROM CENTRE FOR RESOURCES AND OPERATIONS

No. 10/2013

Reporting Information to the
Auditor General

Instructions on Reporting Information to the Auditor General

INSTRUCTIONS

Copenhagen, August 2013

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1. Introduction

Pursuant to Section 10, subsection 1 of the Auditor General's Act, authorities administering government funds are obliged to report to the Auditor General on matters relating to financial accounts and other matters deemed to be of significance to the audit.

This present Instruction specifies the Ministry of Foreign Affairs internal procedures for reporting on such matters and is based upon the Auditor General's Act along with the Ministerial Instructions. The Instruction applies to the entire Ministry of Foreign Affairs, where each paragraph specifies which procedures are to be used for each area in question – Cases of irregularities or changes in routines and procedures in general, Administration of funds for development assistance, Administration of funds related to the Trade Council of Denmark and Administration of visa, passport and driving licences.

2. Cases of irregularities or changes in routines and procedures in general

The following practice applies to the financial administration within the Foreign Service in general and administration of costs not covered by any specific description in the paragraphs below.

2.1. What matters should be notified about?

The Auditor General should be notified about any errors or irregularities in existing administrative procedures, and about changes in routines and procedures, which are of significance to its audit. The duty of information also applies to irregularities of which the financial impact is not immediately apparent, but is expected to be of significance for the appraisal of the legality of the administration or its efficiency.

This implies that, as a rule, individual cases of fraud, misappropriation, loss or theft of money or other valuables, incidents of bribery, major breach of contracts or legal disputes with financial implications shall be reported to the Auditor General.

The duty of information in individual cases is conditional upon whether or not the case in question may be considered material. This also applies in cases of error, irregularity or fraud.

In addition, it must be reported if there are reasons to suspect the occurrence of irregularities or fraud. In practice, this will for instance be the case where suspicion of fraud causes an investigation and where preliminary findings seem to indicate the occurrence of fraud.

Cases of minor financial implications are not subject to duty of information, including for instance unintentional minor cash differences, absence of documentary evidence for minor amounts, temporary delays in bookkeeping entries, or other similar temporary slackness of administrative procedures that do not reflect irresponsible administration.

It also implies that any changes of routines or procedures in ministerial instructions, guidelines or similar documents concerning financial management or organization within the Ministry, implementation of new instructions etc., shall be reported to the Auditor General.

The letter is to be send to controller@um.dk, where after Controller will inform the Auditor General, see below.

2.2. How to notify?

It is the responsibility of the unit which discovers an irregularity e.g. to submit a report to controller@um.dk immediately, and not later than 14 days after the suspicion has been raised, the case has occurred or the routine/procedure has been changed. The submitted report should be formed as a letter, which can be forwarded directly to the Auditor General. File number 102.G.36.a.3 is to be used for the letter.

Letters presenting individual cases must include the following information:

- the jurisdiction where the matter in question has occurred
- the time at which the matter in question has occurred
- a description of the character, extent and course of events of the matter in question
- information on measures taken (reporting the matter to the police, audit investigations, suspension, dismissal, changes of control procedures, etc.)
- assessment of the responsibility for the occurrence of the matter established (deficient administrative regulations, negligence, inadequate supervision and control, criminal intent, etc.)
- recommendations on the further development of the case, including possible sanctions and claims for compensation brought against the persons involved
- assessment of the time required to bring the matter to a conclusion

Letters presenting changes of routines and procedures, etc. must provide a brief description of the intended or implemented administrative changes and the intended purpose of these. The time when the changes will be implemented is to be stated, as well as the particular sub-area within the Ministry's administration where the change is to take place.

Any questions in relation to what to include and how to draft the letter may also be addressed to controller@um.dk.

2.3. Follow-up and documentation

If a case cannot be concluded in one letter, the responsible unit is to follow up upon the case at regular intervals and report immediately, if new information occurs to controller@um.dk. Again, the report is to be presented as a letter and written in a format that can be forwarded immediately to the Auditor General.

Controller registers all reports sent to the Auditor General that comprise, among other things, information on the date of the next follow-up. Controller is to perform regular follow-ups on cases not yet concluded, and issue reminders to the respective units concerning cases for which the deadline for an update report has been exceeded.

Controller must carry out collation and editing of all reporting letters to the Auditor General and must take steps to submit the letter, with a copy to relevant units.

3. Cases of fraud, corruption or financial mismanagement in connection with administration of funds for development assistance

The following practice applies to the development assistance funds administered by the Foreign Service and the funds administered by others (authorities in recipient countries, international organizations, institutions, NGOs etc.).

3.1. What matters should be notified about?

Any probable cause to suspect fraud, corruption or financial mismanagement in connection with the administration of development assistance funds must be reported.

The obligation to notify the Auditor General includes all substantial cases of the aforementioned irregularities. This implies that, as a rule, notification will not be relevant in cases of e.g. burglary or simple theft committed by third-parties (not employees of program or partner institutions), unintentional minor cash differences, liquidation/bankruptcy, lack of documentation for small amounts, temporary delays in bookkeeping and other similar, temporary delays in administrative procedures that are not considered to reflect irresponsible administration. Incidents caused by traffic accidents, fire, natural disasters or similar shall not be reported, unless there is suspicion of deliberate and ill intentions behind the incident.

If the reporting unit initiates a forensic audit or other investigation performed by external personnel, it is in particular necessary to report the matter.

Matters about irregularities concerning multilateral assistance are reported to the Auditor General only if these are of certain magnitude or have a character, which specifically relates to Danish interests (e.g. contract with Danish companies).

Relevant incidents must be attended to without unnecessary delay and reported to KVA via the c-case system (re. below) no later than two weeks after the irregularities have come to the attention of the unit responsible for the grant. In cases of doubt whether to report or not Quality Assurance and Financial Management of Development Cooperation (KVA) must be consulted.

3.2. How to notify?

The case must be submitted by the unit responsible for the grant via the web based c-case system on the intranet of the Ministry of Foreign Affairs. Detailed description on how to report is found in the c-case system. The unit responsible for the grant is requested to estimate the suspected amount of the potential loss of Danish funds (Danish share) involved in the incident and report it via the c-case system.

In addition to the reporting to the Auditor General it is mandatory to inform the Minister for Development Cooperation if the incident involves a suspected amount (potential loss) of Danish funds of 1 million DKK or more. However, incidents involving a suspected potential loss below 1 million DKK should also be reported to the Minister if special reasons warrant this (political aspects, publicity etc.). Furthermore, for special cases the notification to the minister should include a recommendation to inform The Foreign Affairs Committee and the Finance Committee of the Danish Parliament. Special cases are cases of greater magnitude with a potential loss of more than DKK 10 million and cases of a principal significance, e.g. cases that involve members of the government of the recipient country. It is the responsibility of the unit

responsible for the grant to carry out any notification of the minister including a draft report to the parliamentary committees if applicable.

The report sent to KVA via the c-case system should explain the matter in a clear and precise way, including amount involved and actions taken to investigate and/or rectify the matter. The report will be forwarded to the Auditor General via Controller.

By default, the letter sent to the Auditor General will be published on the Ministry of Foreign Affairs' website. Under special conditions the letter or parts of it can be exempted publication cf. Law of public access to files (Offentlighedsloven).

For notification of cases regarding development assistance, file numbers 102.G.36.a.2. and 104.DAN.6-6.c. are to be used along with the file number chosen by the responsible unit. For reports to the parliamentary committees file number 104.DAN.6-6.f. must be used.

3.3. Follow-up and documentation

There are two ways of following-up on a c-case:

- To submit a report to the Auditor General via the c-case system.
This option is chosen when there is a development in the case with new events or information regarding the case since last report sent to the Auditor General.
- To create a follow-up note in the c-case system for future documentation.
This option is chosen if there has been no substantial development in the case since last report sent to the Auditor General. The follow-up note contains information on actions taken and events happened in connection with the case since last report or follow-up note, the reason for choice of new follow-up date and the reason for not informing the Auditor General at time of creation of the follow-up note.

It is the responsibility of the unit responsible for the grant to consider and document whether or not to submit a report continually and at least every six months until the case is closed. The report(s) and the follow-up note(s), saved in the c-case system, serve as documentation. You can find former C-cases sent to the Auditor General [here](#).

When submitting a follow-up report to the Auditor General through the c-case system, the unit responsible for the grant must also submit a follow-up report for cases reported to the Foreign Affairs Committee and the Finance Committee of the Danish Parliament, and under no circumstances less than one report annually.

4. Cases related to fraud, corruption or financial mismanagement in connection with administration of funds related to the Trade Council of Denmark

The following practice applies to procedures and funds related to the Trade Council of Denmark administered by the Ministry of Foreign Affairs.

4.1. What matters should be notified about?

The duty of information applies to any loss of debtors (export promotion or outlays) caused by irregularity or financial mismanagement experienced by units administering export promotion etc. under the Trade Council of Denmark.

4.2. How to notify and document actions taken?

It is the responsibility of the unit, which experiences the loss etc. to submit a report to spk@um.dk immediately and not later than 14 days after the loss etc. has occurred. The submitted report should be formed as a letter, which can be forwarded directly to the Auditor General. The submitted report should explain the matter in a clear and precise way, including amount involved and actions taken to reclaim the amount from the customer.

The general file number to be used for the letter is 102.G.36.a.3. Any questions in relation to what to include and how to draft the letter may also be addressed to SPK@um.dk or controller@um.dk.

The report will be forwarded to the Auditor General via Controller.

5. Cases related to administration of visa, passport and driving licences.

The following practice applies to all aspects of the Foreign Service's administration of visa stickers, passports (emergency passports, laissez-passer, EU emergency passports, Danish passports to be delivered to applicants, foreign passports delivered to the representation if application for visa or residence permit) and driving licences including data cards.

5.1. What matters should be notified about?

The duty of information applies to any probable cause to suspect fraud, bribery, corruption, misappropriation, loss or theft of visa, passport and driving licence, which is of significance for the assessment of the legality of the administration or the effectiveness of the administration. It also applies to cases of failure to comply with material provisions of statutes or instructions and of material errors of judgement or omissions in connection with the processing of cases. In addition to this, the duty of information applies in connection with changes to routines and procedures.

5.2. How to notify?

It is the responsibility of the unit, which discovers an irregularity to submit a report to the Consular Service Department (BVP) immediately, and no later than 14 days after the suspicion has been raised, the case has occurred, or the routine/procedure has been changed. The report should be sent to bvpsupport@um.dk (copy to controller@um.dk). BVP and Controller are available for providing advice on drafting the report.

When the report is received BVP will decide if further investigation is to be conducted in cooperation between BVP, the Personnel Department (HR) and the Security Department (SIK) or another office, with BVP chairing the proceedings.

BVP will inform and update Controller about developments in the case, and BVP will via Controller inform the Auditor General about the case.

Controller will submit a copy of the notification to the Auditor General to relevant units.

In cases involving missing stickers, passports etc. BVP will carry out any required notification of the Danish Immigration Service and the National Commissioner of Police in cases where these have not already been informed by the Mission or through other channels.

5.3. Follow-up and documentation

If a case cannot be concluded in one letter, the responsible unit needs to follow up upon the case at regular intervals and report immediately to BVP, if new information occurs (bvp@um.dk). All follow-up reports are to be presented as a letter and written in a format that can be forwarded immediately to the Auditor General.

Upon receipt, BVP will forward the letter to Controller (controller@um.dk) who will send the final letter to the Auditor General, as all reporting to the Auditor General must be submitted through Controller. Controller will submit a copy of the letter to relevant units.

Controller, June 1, 2013