

State Budget Decree

(1243/1992; amendments up to 677/2007 included)

Chapter 1 — Preparation and structure of the State budget

Section 1 (321/2003)

Preparation of the State budget shall comprise the following phases: drawing up framework proposals for central government finances and a Government decision on the framework for central government finances, drawing up budget proposals for government agencies, drawing up budget proposals for the various administrative sectors and other budget proposals, drawing up a Ministry of Finance Budget Proposal to be submitted to Parliament and discussion of the proposal in a plenary session of the Government.

Section 1 a (263/2000)

- (1) Each ministry shall submit its proposal for the framework of its own administrative sector to the Ministry of Finance, which will draw up its own framework proposal for preparation of the budget proposal. Framework proposals on other items may also be submitted to the Ministry of Finance in accordance with the Government stipulations referred to in section 1 b. (321/2003)
- (2) All government agencies shall submit their budget proposals, including the grounds or reasons therefore, to the relevant ministry.
- (3) On the basis of its own budget proposal and the budget proposals submitted by government agencies, each ministry shall compile a budget proposal for its own administrative sector and submit the proposal, including the grounds therefore, to the Ministry of Finance for preparation of the Budget Proposal. When the Ministry of Finance has signed its first position paper to be submitted as the Budget Proposal to Parliament it shall provide the ministry with that position paper.

Section 1 b (254/2004)

- (1) Budget proposals shall comprise proposals for appropriations and revenue estimates, grounds for the appropriations, and other grounds intended to represent the views of Parliament and grounds in the explanatory parts of the Budget Proposal to be submitted to Parliament.
- (2) Budget proposals shall comprise:
 - 1) proposals for targets set by the Government to be included in the explanatory parts of the Budget Proposal for the effectiveness of State activity and finances in the policy sector of the ministry in question;
 - 2) the ministry's tentative performance targets for the effectiveness of State activity and financing in its policy sector;
 - 3) the ministry's tentative performance targets for the most significant elements of operating performance of the most important government agencies in the administrative sector of the ministry.
- (3) In order to provide for grounds for proposals concerning appropriations, revenue estimates and other parts of the budget intended to become decisions of Parliament, performance targets concerning operational performance are itemized as stated in

section 65 into targets concerning operational efficiency, outputs and quality management, and, as needed, management and development of human resources. Whenever possible, indicators are used in presenting the performance targets. As needed indicators are supplemented with qualitative targets.

- (4) Proposals for spending limits in central government finances, including the grounds therefore, and budget proposals including the grounds therefore, must be drawn up in compliance with the deadlines and other regulations set by the Government and the Ministry of Finance.

Section 2

- (1) If it is essential to amend an approved budget, the ministry concerned shall submit its proposal for additions and amendments to the budget, including the grounds therefore, to the Ministry of Finance for preparation of a supplementary budget proposal to be submitted to Parliament. (263/2000)
- (2) What is stipulated in this decree on the State budget applies to the supplementary budget as applicable.

Section 3

- (1) The budget classifies State revenues by type into the following main titles:
Taxes and other revenue of a fiscal character
Revenues from operations for which charges are levied and other miscellaneous revenues
Interest and profit entered as revenue
Loans
- (2) The revenues are entered in these main titles as follows:
 - 1) under taxes and other revenue of a fiscal character: taxes levied on the basis of income and wealth, taxes and charges levied on the basis of turnover, taxes and charges levied on the basis of import and export, excise duties and other taxes and revenues of a fiscal character;
 - 2) under revenues from operations for which charges are levied and other miscellaneous revenues: revenue from the sale of goods and services by government agencies, and from the sale of assets in their possession; payments levied on unincorporated State enterprises, as specified in the State Enterprise Act (1185/2002), hereafter referred to as enterprises, on benefits and compensation paid centrally to the personnel of an enterprise; and other miscellaneous revenues; (677/2007)
 - 3) under interest and profit entered as revenue: interest revenues, index and exchange rate compensations, dividends, a proportion of the profit made by the State monetary institution and profit made by unincorporated State enterprises and entered as revenue; and
 - 4) under loans: loans repaid to the government and government borrowing.
- (3) Subsection 3 repealed by Decree 254/2004.

Section 4 (321/2003)

The budget classifies expenditure under the following main divisions:
Parliament
President of the Republic
Government
Ministry of Foreign Affairs administrative sector
Ministry of Justice administrative sector
Ministry of the Interior administrative sector

Ministry of Defence administrative sector
Ministry of Finance administrative sector
Ministry of Education administrative sector
Ministry of Agriculture and Forestry administrative sector
Ministry of Transport and Communications administrative sector
Ministry of Trade and Industry administrative sector
Ministry of Social Affairs and Health administrative sector
Ministry of Labour administrative sector
Ministry of the Environment administrative sector
Interest on State debt
Reduction of State debt

Section 5

- (1) Expenditure in the budget is classified under budgetary items according to the objective or the nature of the expenditure.
- (2) Appropriations budgeted by objective are intended to be used for all regular expenditure arising from the operations concerned, unless otherwise provided in the budget.
- (3) Expenditure is divided according to type into consumption expenditure, transfer expenditure, investment expenditure and other expenditure. Expenditure is classified in the following manner:
 - 1) under consumption expenditure: salaries to State employees, other remunerations, social security contributions and pension premiums, expenditure on the purchase of goods and services, expenditure on the purchase of defence material, the acquisition costs of all machinery and equipment of minor value or a short life-cycle, and other such expenditure arising from, or in connection with, government operations or related to government operations, unless this should be regarded as transfer or investment expenditure;
 - 2) under transfer expenditure: State subsidies paid to municipalities, other public institutions, business and industry, households and non-profit corporations, government-mediated asset transfers and unilateral asset transfers to extrabudgetary State funds, to the Social Insurance Institution and abroad; (927/1994)
 - 3) under investment expenditure: expenditure on the acquisition of other than defence material, acquisition of machinery and equipment not considered consumption expenditure, expenditure on the construction of buildings, earthworks and water structures, expenditure on the acquisition of securities, land areas and buildings and lending; and
 - 4) under other expenditure: interest on State debt, amortizations on State debt and negative issue premiums and capital losses related to increasing and reducing State debt, expenditure arising from derivatives used to hedge the interest or capital of State debt, and other expenditure not classified under the above-mentioned consumption, transfer and investment expenditures. (1054/2000)
- (4) Subsection 4 repealed by Decree 254/2004.

Section 5 a (1175/2002)

- (1) In the budget, revenues or expenditure are allocated to the financial year as stipulated below, unless otherwise provided in the budget.
- (2) The principle for allocating revenues from operations for which charges are levied and other miscellaneous revenues, and consumption, investment and other expenditure is the delivery of the product or rendering of the service or the reception

of the product or service (*accrual basis*) or the accrual of revenues or expenditure on the basis of provision by law or a commitment made (*basis corresponding to accrual basis*), unless otherwise provided below. Interest revenues and interest expenditure are allocated to the financial year for which they accrue under provision by law or a commitment made. Minor revenues and expenditure, holiday pay and holiday bonuses of persons employed by the State and revenues and expenditure the amount of which to be accrued on the basis of provision by law or a commitment made cannot be reliably estimated in advance without substantial additional cost before they fall due may also be allocated according to the time of payment (*cash basis*). (936/2003)

- (3) The principle for allocating transfer expenditure is the making of a decision to grant State subsidy (*decision basis*) or other commitment regarding an item of expenditure (*other commitment basis*). When entitlement to State subsidy or some other payment is based on legislation, and the amount of transfer expenditure to be granted and paid is laid down in detail by law or the amount payable is determined in detail under law (*transfer expenditure prescribed by law*), the principle for allocation is, however, the making of the decision on detailed confirmation of the amount of expenditure payable (*payment decision basis*). Financing from a European Union Structural Fund and related State financing are allocated on a payment decision or corresponding basis.
- (4) The principle for allocating taxes and other revenue of a fiscal character, dividends, profit made by unincorporated State enterprises entered as revenue and other profit received by the State is a cash basis.
- (5) Amortizations on State debt and negative issue premiums and capital losses related to State debt or its reduction are allocated on a cash basis. Revenues and expenditure arising from derivatives related to the interest and capital of State loans are allocated to the financial year on which they accrue. State loans and positive issue premiums and capital gains related to State debt or its reduction are allocated on a cash basis. (936/2003)
- (6) Loans repayable to the State are allocated on a cash basis.

Section 5 b (1175/2002)

- (1) In the budget, expenditure deriving from the acquisition of a product or service, or delivery of a product or rendering of a service, is allocated in full to the financial year during which the product or service is received or delivered.
- (2) Notwithstanding what is provided in subsection 1 above, in the case of revenues accruing from delivery of a product or rendering of a service of significant proportion and consisting of various phases, a proportion equivalent to the phase of delivery or phase of completion of the product or service may be allocated to the financial year as revenue. In such a case, it must be possible to anticipate in a reliable manner the gross margin on the product or service allocated to the financial year.

Section 6

The repayment of revenue that has been collected in excess by the State, as far as the receiver is entitled to it, can be included in the budget as a decrease in revenue in the year that the refund is paid if no appropriation for repayments has been made in the budget.

Section 7 (677/2007)

Section 7 repealed by Decree 677/2007.

Chapter 2 — **Operational and financial planning**

Section 8 (254/2004)

The purpose of operational and financial planning is:

- 1) to support performance in government activities and finances;
- 2) to provide grounds for preparation of the framework for central government finances and for the annual central government budget;
- 3) to provide grounds for effectiveness in the policy sectors of the ministries and in the managing and steering of government agencies and likewise in setting performance targets.

Section 9 (254/2004)

- (1) In addition to State operational and financial planning, the multi-annual operational and financial planning comprises operational and financial planning for the administrative sectors and for the government agencies.
- (2) In addition to targets concerning the future, information on the outturn of implementation and final accounts and the analyses concerning them, and likewise assessments of effects and performance made at stated times must be taken into account in the operational and financial planning.
- (3) As a result of operational and financial planning, government agencies prepare their own operational and financial plans and submit them to the ministries as required by the ministry in question.
- (4) The ministry annually prepares an operational and financial plan for its administrative sector based on the strategies for central government finances and operating policy approved by the Government for the period covered by the operational and financial plan and taking into account the plans of the government agencies referred to in subsection 3. The ministry shall submit the operational and financial plan for its administrative sector to the Ministry of Finance.

Section 10 (254/2004)

- (1) Proposals for the key operational strategies and multi-annual performance targets are included in the operational and financial plans.
- (2) The operational and financial plan for the administrative sector of the ministry comprises plans for the strategies and most important targets, including indicators, concerning the main lines of the policies of the Government and of the ministry and its administrative sector.
- (3) The operational and financial plans are prepared in compliance with the regulations issued by the Government and the Ministry of Finance.

Chapter 3 — **Implementation of the budget**

Section 11 (254/2004)

- (1) After the approval of the Budget by Parliament, the ministry shall approve the breakdown of budgetary accounts without delay.
- (2) After approval of the Budget by Parliament, the ministry shall approve the most important targets for effectiveness in the policy sector of the ministry and for the operational performance of the administrative sector and of its most important government agencies. Performance targets concerning operational performance shall comprise itemized targets as stated in section 65 for operational efficiency, for output

and for quality management, and, as needed, the targets for human resources management.

- (3) To the extent possible, performance targets are presented by descriptive indicators that are supplemented as needed with qualitative targets in writing.
- (4) Performance targets approved by the ministry for a government agency can be included in the performance target document signed together by the ministry and the government agency.

Section 12

- (1) The breakdown of budgetary accounts shall be prepared in accordance with the classification into main titles of revenues and main titles of expenditure, and shall include:
 - 1) revenue estimates and parts thereof at least in accordance with the principles of specification prescribed by Parliament;
 - 2) appropriations and parts thereof for the purposes provided in the budget at least in accordance with the principles of specification prescribed by Parliament;
 - 3) a list of the provisions and stipulations that accrual of revenue and use of appropriations are directly based on; and
 - 4) other matters prescribed by the Ministry of Finance.
- (2) The ministry concerned may also include other specifications and stipulations on budget implementation in the breakdown of budgetary accounts.
- (3) The breakdown of budgetary accounts shall also indicate the accounting agency in whose accounts the revenue estimates and appropriations or parts thereof are included, and the authorities deciding on the use of appropriations unallocated by administrative sector or by agency.

Section 13

- (1) Subsection 1 repealed by Decree 254/2004.
- (2) If a ministry intends to approve the breakdown of budgetary accounts in a form that deviates from the amounts of money in the appropriation allocation plan in the budget in a case referred to in section 9(2) of the State Budget Act, the matter shall be referred to the Ministry of Finance for a statement on the approval of the breakdown of budgetary accounts. If the ministry does not accept the statement issued by the Ministry of Finance and does not consider it possible to withdraw its proposal, the matter shall be submitted to the Cabinet Finance Committee. (1252/2001)
- (3) To allocate a discretionary appropriation, the ministry in question shall request a statement from the Ministry of Finance when it decides on the allocation of the appropriation. If the ministry is not satisfied with the statement of the Ministry of Finance and does not consider it possible to withdraw its proposal, the matter shall be submitted to the Cabinet Finance Committee. (1111/1998)
- (4) With regard to the provisions referred to in section 12(2), the accounting offices may approve amendments to the breakdown of budgetary accounts on a scale prescribed by the ministry concerned.
- (5) The provisions of subsection 2 do not apply to the main division 'President of the Republic'.

Section 14 (254/2004)

The breakdowns of budgetary accounts approved by the ministries in compliance with section 11(1), and the most important performance targets in compliance with section 11(2) and amendments thereto must be provided to the State Audit Office and the Treasury without delay. The Treasury publishes the breakdowns of budgetary

accounts. Approved budgetary accounts and performance targets and the operational and financial plans prepared in operational and financial planning are made available on the website of the Treasury, unless otherwise stipulated by the Act on the Openness of Government Activities (621/1999), hereinafter the *openness act*.

Section 15

Whenever necessary, the Government will issue further provisions on the performance targets referred to in section 11, and the Ministry of Finance on the preparation of the breakdown of budgetary accounts.

Section 16 (263/2000)

Section 16 repealed by Decree 263/2000.

Section 17

- (1) The ministry concerned may grant permission to exceed an estimated appropriation.
- (2) As far as possible, permission to exceed an estimated appropriation shall be applied for by the end of November in the budget year, and in any case well in advance of the completion of the final accounts. When permission is granted, the ministry must inform the Treasury thereof without delay.
- (3) Before such permission is granted, the issue of exceeding an estimated appropriation shall be submitted to the Cabinet Finance Committee. If the excess, including previous excess amounts, is not more than 20 per cent of the appropriation and is not higher than 1,000,000 euros, an opinion may be requested from the Ministry of Finance instead of the Cabinet Finance Committee procedure. If the ministry concerned does not accept the opinion issued by the Ministry of Finance and does not consider it possible to withdraw its proposal, the matter shall be submitted to the Cabinet Finance Committee. (1252/2001)

Section 18 (1587/1995)

- (1) It is a prerequisite for the reallocation of personnel resources referred to in section 7 a of the State Budget Act and for the reassignment of functions from one ministry to another referred to in section 7 b that the arrangement does not cause a need to exceed appropriations or for additional appropriations.
- (2) In order to reallocate personnel resources or to implement a sectoral adjustment of operations between ministries, the means needed to pay salaries and other personnel expenditure, and other expenditure needed for the adjustment of sectoral operations between ministries, shall be transferred from the appropriations for the operations of the agency concerned under the item concerning the agency from which the expenditure has been paid, by amending the breakdown of budgetary accounts for the financial year so that the funds are at the disposal of the agency to which the personnel and other resources are being allocated. The corresponding changes concerning right of use shall be made in any maximums set for utilization of personnel that may have been confirmed for the administrative sector and agency concerned, related to the appropriations to be transferred. In connection with sectoral adjustments, the necessary changes concerning right of use shall also be made in other appropriations in the administrative sector concerned.
- (3) Any changes in the breakdown of budgetary accounts referred to above in subsection 2 shall be confirmed by the ministry whose administrative sector appropriations will be used to make the personnel arrangements or reallocation of functions.

Section 19

Building construction projects exceeding the scale or cost estimate specified in the grounds of the budget may not be undertaken without the permission of the ministry concerned.

Section 20

The applications referred to in section 19(1) of the State Budget Act to carry over expenditure arrears shall be submitted to the ministry concerned during January in the year following the budget year.

Section 21

- (1) The relevant ministries and the Ministry of Finance shall monitor compliance with the budget.
- (2) In accordance with stipulations issued by the Ministry of Finance, the ministries shall prepare statements on cash flow in their administrative sector and other statements concerning the State finances that the Ministry of Finance considers necessary.

Section 22 (600/1997)

Section 22 repealed by Decree 600/1997.

Chapter 4 — **Organization of financial management** (600/1997)

Section 23 (254/2004)

- (1) The central government budget economy constitutes an economic unit with an accounting obligation. The budget economy is divided into accounting offices that draw up the final central government accounts, including reports on operations (*final accounts of the accounting offices*), as stipulated in section 21 of the State Budget Act. The central government budget economy is also responsible for government transactions and accounting.
- (2) In addition to the government accounting offices, the payment centres in the cases referred to in section 25(1), and section 50, are also responsible for the central government's transactions and accounting. The Treasury manages the consolidated accounting.

Section 24 (927/1994)

On the proposal of the ministry concerned, the Ministry of Finance shall specify which government agencies apart from the Office of the President of Finland and the ministries act as accounting offices. Where necessary, the ministry concerned shall submit to the Ministry of Finance a proposal concerning amendments in the specification of accounting offices.

Section 25

- (1) An accounting office may decentralize its transactions to payment centres subordinate to it.
- (2) If it can be deemed appropriate, an accounting office may, against accounts rendered, assign certain payments or the collection of certain revenues to a party other than the office itself. The party rendering the aforementioned accounts is called a collection and payment agency.
- (3) The Treasury may issue further instructions on collection and payment agencies and their transactions and accounting.

Section 26 (254/2004)

Section 26 repealed by Decree 254/2004.

Chapter 5 — **Government transactions**

Section 27

- (1) Unless otherwise provided, the accounting office shall be responsible for the collection of revenues and remittance of payments in its own operating sector.
- (2) Unless otherwise prescribed below, government payments shall be made via credit institutions or other corporate bodies engaging in payment transfer with which the Government has made an agreement on the transfer of government payments (*Government transactions bank*). If special cause exists, other means of transfer may be used in transactions, with the permission of the Ministry of Finance. (718/2002)

Section 28 (718/2002)

- (1) An accounting office shall have a separate revenue account and expenditure account for its transactions. If the agency has more than one revenue account and expenditure account, it shall also have a general revenue account and a general expenditure account.
- (2) If the accounting office has more than one revenue account, these shall be emptied daily into the accounting office's general revenue account. If the accounting office has more than one expenditure account, these shall be covered daily from the accounting office's general expenditure account.
- (3) The accounting office's general revenue account shall be emptied daily into the Government's general revenue account. The accounting office's general expenditure account shall be covered daily from the Government's general expenditure account. If the accounting office has only one revenue account, this account shall also be emptied daily into the Government's general revenue account. If the accounting office has only one expenditure account, this account shall also be covered daily from the Government's general expenditure account.
- (4) The Treasury will issue further stipulations on the emptying of the accounts and the transfer of financial cover as necessary. The Government's general revenue account and the Government's general expenditure account are managed by the Treasury.

Section 29 (254/2004)

- (1) A government accounting office shall open the revenue and expenditure accounts in the name of the government agency or if a special cause exists, in the name of an authority. The government accounting office approves the users of government transaction accounts.
- (2) Only the two persons designated in the financial rules referred to in section 69 b or on the basis thereof can use a government transactions account together. However, the Treasury can, in special cases, grant permission for one person to use a government transactions account alone.

Section 30 (254/2004)

- (1) The Government's current account is kept in the Bank of Finland and is managed and used by the Treasury.
- (2) The persons designated in the financial rules of the Treasury or on the basis thereof make withdrawals from the Government's current account.

Section 31

- (1) An accounting office may have cash in hand for the collection of revenues and for paying out minor expenditure items.
- (2) An accounting office shall ensure that no more cash is kept in hand than is necessary for the payment of minor expenditure items.
- (3) Subsection 3 repealed by Decree 254/2004.

Section 32

The Ministry of Finance has the right to issue accounting offices with stipulations on the date of paying out government expenditure when the said date is discretionary.

Section 33 (718/2002)

The Government's own cash assets and other cash assets in the possession of the Government may not, unless otherwise provided, be deposited in credit institutions without permission from the Ministry of Finance.

Section 34 (718/2002)

If the Government's current account in the Bank of Finland or the Government's general revenue account accumulates more cash than is necessary for the management of the State's transactions, the Ministry of Finance shall decide on the deposit or other investment of these assets in an interest-bearing manner. The Ministry of Finance shall also decide on the investment of foreign exchange cash assets arising from foreign-currency loans and on the investment of foreign exchange cash assets acquired as preparation for repayment of a foreign-currency loan. On conditions set by it, the Ministry of Finance may delegate the investment operations referred to above either wholly or in part to the Treasury.

Section 35

- (1) In accounting, assets in funds managed by the Government shall be separated from each other and from other assets.
- (2) Transactions by the funds shall take place via the government transactions accounts or cash fund of the relevant accounting office. (718/2002)
- (3) If separate provisions on the investment of such assets exist, or if such instructions to this effect have been issued when assigning the assets to the Government, the cash assets in donated and foundation-type funds may be invested in bank deposits, bonds or other securities.
- (4) The provisions of subsections 2 and 3 do not, however, apply to assets donated or bequeathed to a university referred to in the Universities Act (645/1997). (263/2000)

Section 36

- (1) A statement of account or receipt or some other voucher accepted by the Treasury shall constitute proof of payment when payment has been made via a deposit bank. (718/2002)
- (2) When cash is paid into a cashier's office, a revenue voucher shall be made out for the remittance marked with the date of payment, and the payer shall be given a receipt or other voucher on making the payment.

Section 37 (254/2004)

- (1) The provisions of the Prepayment Act (1118/1996) and the Prepayment Decree (1124/1996) regarding the payroll accounting of economic entities with a legal

obligation to conduct payroll accounting are applied to the salaries, wages, remunerations and pensions paid by government agencies.

- (2) As necessary, the Treasury will issue more specific regulations regarding payroll accounting and payroll calculation.

Section 38 (254/2004)

- (1) As one of the procedures for internal control stipulated in section 69, a government accounting office shall see that the Government revenue belonging to the sector of the government agency is collected appropriately and in the correct amounts.
- (2) The calculation, invoice or other document on which the expenditure is based shall be verified. Verification must reveal whether the content of the document is both factually and numerically correct.
- (3) Before payment of an expenditure, the person designated for the task in the financial rules referred to in section 69 b or on the basis thereof must approve the expenditure. As one of the procedures for internal control stipulated in section 69, the person responsible for approving the expenditure must confirm that there are legal grounds for the expenditure or that the decision was legal, and that the appropriation is adequate. Approval must be dated and signed. In addition, the endorsement must indicate the accounts in which the expenditure will be entered.

Section 39 (254/2004)

- (1) As one of the procedures of internal control stipulated in section 69, a government accounting office shall see that only the appropriately approved expenditures are paid and that they are also otherwise remitted appropriately and that the amounts are correct.
- (2) The financial rules must specify the procedures for debiting expenditures in the accounting office. As necessary, the Treasury will issue further provisions regarding debiting procedures.

Section 40 (600/1997)

- (1) The Treasury shall issue further provisions on the government transactions of the accounting offices. (263/2000)
- (2) The government transactions and payroll calculation of government agencies shall be carried out using sufficiently uniform and secure systems that provide the necessary data.
- (3) The Treasury shall issue the necessary provisions on the systems to be used in government transactions and payroll calculation.

Chapter 6 (600/1997) — **Accounting**

General provisions

Section 41 (600/1997)

- (1) Central Government accounting comprises accounting of the government agencies, accounting of extra-budgetary State funds, and consolidated accounting.
- (2) The accounting of a government agency and the consolidated accounting comprise commercial accounting and budget accounting, as well as budget-authorization accounting. The accounting for extra-budgetary State funds is commercial accounting, and, as necessary, budget-authorization accounting. (254/2004)
- (3) Subsection 3 repealed by Decree 254/2004.

- (4) The accounting of funds from monies donated to the State and of assets donated on special conditions shall observe the provisions of this Decree, as applicable, unless otherwise provided in the law.

Section 41 a (600/1997)

- (1) Subsection 1 repealed by Decree 254/2004.
- (2) Accounting shall be managed using sufficiently uniform and secure systems that provide the necessary data. The Treasury will issue further provisions on the systems to be used in accounting, as necessary.

Section 41 b (600/1997)

- (1) The Ministry of Finance shall issue further provisions on the consolidated central government accounting, as required. The Treasury shall issue the necessary complementary provisions on the accounting of government agencies and extra-budgetary State funds.
- (2) If special cause exists, the Ministry of Finance can grant permission to deviate from the provisions of this Decree concerning accounting in individual cases.

Section 41 c (1054/2000)

- (1) Notwithstanding what is provided in section 41 b (2), section 44(3), section 46(2), and section 47(1), the State Treasury may grant a government agency or an extra-budgetary fund permission to deviate from the procedures referred to in section 47(2), section 47(4), and section 49 in order to allow utilization of a mechanical means of data processing. At the same time, the Treasury may grant permission to enter in electronic form the vouchers referred to in section 36 in the bookkeeping and to carry out the procedures referred to in section 38(3) and section 39(1) electronically. If the Treasury grants a government agency or an extra-budgetary fund the permission referred to in this subsection, the party to whom the permission has been granted shall produce a monthly balancing of accounts to show that the bookkeeping vouchers, transactions and entries have been processed in full in the general ledger. (1175/2002)
- (2) The Treasury shall give in its permission further provisions concerning the methods used in accounting. These provisions shall take into account the provisions of section 40(2) and section 41 a (2). The Treasury monitors compliance with these provisions.

Recording transactions

Section 42 (600/1997)

- (1) The financial transactions recorded in commercial accounting shall be revenues, expenditure, financial transactions, and related adjustment and transfer items.
- (2) The budget transactions recorded in budget accounting shall be budget revenues and budget expenditure, and related adjustments and transfers.

Section 42 a (600/1997)

- (1) The principles of double-entry bookkeeping shall be observed, unless otherwise specified below. Provisions on budgetary-authorization accounting are issued in section 54 a (254/2004).
- (2) Bookkeeping transactions shall be entered in chronological order (*basic ledger*) in the journal, and systematically (*general ledger*) in the general ledger of the commercial accounting and the general ledger of the budget accounting. The books shall be kept as up-to-date as possible.

- (3) A cash journal shall be kept for each cashier's office, into which all payments received and made shall be entered. The cash journal shall be closed each day unless the accounting office's own financial regulations require otherwise.
- (4) If the cashier's office uses a cash terminal or other comparable hardware, or if there are few payment transactions, the accounting office can provide that a cash journal does not have to be kept for a certain cashier's office.

Section 42 b (600/1997)

- (1) Commercial accounting shall comprise at least statements on returns and expenses and the accounts needed for the compilation of the balance sheet, which the Treasury will specify.
- (2) Budget accounting shall comprise budget accounts, accounts for appropriation transfers and any other accounts that the Treasury specifies. The budget accounts and their contents shall correspond to the budget and its chart of accounts.
- (3) The account system shall be clear and sufficiently detailed. For each budget year, there shall be charts of accounts with notes to the period covered.
- (4) The Treasury will issue further provisions on the account system and charts of accounts as necessary.

Section 42 c (1111/1998)

In budget accounting on-budget expenditure and revenues shall be recorded in accordance with the budget for the budget year. In budget accounting, on-budget expenditure and revenues can also be recorded at the time of payment during the budget year.

Section 42 d (1111/1998)

- (1) In commercial accounting, the principle for entering an expense deriving from the acquisition of production factors shall be the reception of the said production factor. Similarly, revenue from the sale of a product or service shall be recorded when the product is delivered or the service rendered (accrual basis principle).
- (2) In commercial accounting, interest and similar revenues and expenses are recorded on a basis corresponding to an accrual principle. Tax-related interest and similar revenues and expenses are recorded in commercial accounting in the same way as in budget accounting. (1253/2004)
- (3) In commercial accounting, other expenses and revenues than those referred to in subsections 1 and 2 are recorded in the same manner as in budget accounting. (1175/2002)
- (4) In commercial accounting, expenses and revenues can also be recorded at the time of payment (cash basis principle) during the budget year.
- (5) If entries are made in commercial accounting on a cash basis, it must be possible to identify debts and receivables at any time.

Section 42 e (600/1997)

To ensure the unity and reliability of budget accounting, a balancing calculation between the commercial and the budget accounting shall be made each month and when the annual accounts are drawn up. Balancing calculations shall be kept at accounting offices with the corresponding account statements.

Section 42 f (1111/1998)

- (1) If the expenses referred to above in section 42 d (1) and section 42 d (2) have been recorded in the commercial accounting on a cash basis during a budget year, such entries shall be adjusted and completed on an accrual principle or on a basis corresponding to an accrual principle before the annual accounts are closed, with the exception of entries concerning the minor revenues and expenditure referred to in section 42 d (2). (1175/2002)
- (2) If expenses and revenues other than those referred to in subsection 1 have not been recorded in the commercial accounting in accordance with the budget accounting during the budget year, the commercial accounting shall be adjusted and amended to comply with the budget accounting for the budget year before the final accounts are drawn up.
- (3) If budget expenditure and revenues have not been recorded in accordance with the budget accounting during the budget year, entries in the budget accounting shall be adjusted and amended to correspond to the budget accounting for the budget year before the final accounts are drawn up.

Section 42 g (600/1997)

Entries in the accounting records shall be made clearly and permanently. Entries may not be erased or rendered unreadable.

Vouchers

Section 43 (600/1997)

- (1) The recording of a transaction shall be based on a dated and numbered voucher which verifies the transaction.
- (2) Entries shall be made in such a way that their connection with the final accounts can be verified without difficulty.

Section 44 (600/1997)

- (1) Each bookkeeping voucher shall carry a note on the accounts to be debited and credited if it is not otherwise clear in which account the transaction has been entered. There shall also be a note on the amounts to be entered in each account, on checks made and on approval of the expense.
- (2) The voucher on an expense or revenue in the commercial accounting shall show where the expense or revenue derives from. The voucher on a budget expenditure or revenue in the budget accounting shall show where the budget expenditure or revenue derives from. It must be possible to prove by a voucher or an appendix to it, or in some other corresponding way, the date on which a product or service was received, the date on which a product was delivered or service rendered, or some other date on which a commercial or budget accounting expenditure or revenue occurred.
- (3) With permission of the Treasury, entries may be based on voucher data in computerized data media that can be converted into clear written form if necessary.

Section 45 (600/1997)

- (1) A bookkeeping error shall be corrected in such a way that it is possible to establish which voucher has been corrected, what has been corrected and how the correction was made.
- (2) A voucher authenticating a correction, adjustment or transfer entry shall be properly approved.

Section 46 (600/1997)

- (1) Vouchers must be kept in such a way that each can be found easily if needed.
- (2) With permission from the Treasury, vouchers can be kept on microfilm or in some other manner allowing them to be read using a technical device and converted into clear written form if necessary.
- (3) The account books, chart of accounts and description of the computerized bookkeeping procedure shall be kept for at least ten years from the end of the budget year, arranged in a way that allows the account system used and the data processing procedure to be established without difficulty.
- (4) The vouchers of the budget year and bookkeeping material other than that referred to in subsection 3 shall be kept for at least six years from the end of the budget year, the vouchers in order of entry or otherwise in a way allowing the connection between the vouchers and the entries to be established without difficulty.
- (5) The Treasury will issue further provisions on how bookkeeping material should be kept, as necessary.

Section 47 (600/1997)

- (1) With Treasury permission, the records in the basic ledger and the general ledger accounting specifications can be prepared on computerized data media whose data can be converted into clear written form if necessary.
- (2) It must be possible to establish the procedure for making entries in books kept using computerized methods, and their connection with the final accounts, without difficulty and without using a computer.
- (3) A description of the methods used for computerized bookkeeping shall be drawn up in accordance with instructions from the Treasury. The description shall contain notes on the period covered and be arranged and kept in a manner allowing the data processing procedure to be ascertained without difficulty.
- (4) In the accounting material, each voucher and the bookkeeping notes made on it shall always be in clear written form.

Accounting by accounting offices

Section 48 (600/1997)

- (1) The general ledger of an accounting office's commercial accounting shall cover the accounts referred to in section 42 b (1).
- (2) The general ledger of an accounting office's budget accounting shall cover the accounts referred to in section 42 b (2).

Section 49 (600/1997)

The journal of computerized accounting and the commercial accounting general ledger and budget accounting general ledger shall be presented in written form at least every month. The journal and general ledgers shall be bound, stitched or otherwise arranged in a reliable manner at the latest when the final accounts are drawn up, and their pages shall be numbered so that it can be established later that none of the account material is missing.

Section 50 (600/1997)

If an accounting office's accounting is decentralized among various payment centres, its journal and commercial accounting general ledger and budget accounting general ledger shall comprise those payment centres' journals and commercial and budget accounting general ledgers. A combination covering the whole accounting office shall

be drawn up monthly from the payment centres' commercial and budget accounting general ledgers.

Section 51 (600/1997)

The accounting office shall specify what kinds of accounts a collection and payment agency shall keep, taking into account the nature and scale of their activities.

Section 52 (600/1997)

For each month, the collection and payment agency shall supply the accounting office with a signed statement of its transactions. If the collection and payment agency's payment transactions are few, this statement can be made on a longer accounting period if the accounting office so permits. However, this period cannot exceed one budget year. The accounting office shall audit the statement.

Central bookkeeping

Section 53 (600/1997)

- (1) Central government consolidated accounting shall be arranged in such a way that it can be used as a basis for drawing up the general ledger of the central government commercial and budget accounting, the final central government accounts, and explanations of on-budget and extra-budgetary activities as well as balance sheet items.
- (2) The general ledger of the central government commercial accounting shall be drawn up on the basis of the account data in the accounting offices' commercial accounting. The general ledger of the central government budget accounting shall be drawn up on the basis of the account data in the accounting offices' budget accounting. Changes made to the accounting offices' account data and entries in the consolidated accounting shall be recorded in a verifiable manner.
- (3) The accounts in the central government budget accounting general ledger shall comprise the budget accounts, accounts of appropriation transfers, and the other accounts referred to in section 42 b (2). For the final central government accounts, the budget accounting general ledger shall show the actual surplus or deficit for the budget year and as an accumulated figure for the surplus.
- (4) Central government bookkeeping material comprises the accounting journals referred to in subsection 1 above, the account statements and balancing calculations referred to in section 54, information concerning authorizations and their use referred to in section 54 a (3), charts of accounts and other material needed for central bookkeeping. The State Treasury must keep the bookkeeping material as provided separately. (1253/2004)

Section 54 (600/1997)

The account data of accounting offices and extra-budgetary Government funds separately specified by the Treasury, the account statement based on them, and the balancing calculation referred to in section 42 e shall be submitted to the Treasury for the consolidated accounted for each calendar month in a form and at a time specified by the Treasury. The account statement shall be properly signed. Any other data needed for the management of the consolidated accounting specified by the Treasury shall be appended to the account statement.

Section 54 a (254/2004)

- (1) Government agencies shall arrange in their administrative sectors for monitoring of the budget authorizations granted in connection with the deliberations on the budget as referred to in section 10 of the Budget Act and of other budget authorities based on the law (*budget-authorization accounting*).
- (2) Budget authorizations granted in connection with deliberations on the budget and based on the law and the use thereof are entered in the budget-authorization accounting. Furthermore, expenditure generated from the exercise of budget authorizations and other appropriation needs occasioned by the exercise of budget authorizations in future budget years are monitored in conjunction with budget-authorization accounting.
- (3) The Treasury will give further provisions on the details of budget-authorization accounting. The Treasury shall be informed of budget authorizations and of their use as it provides.

Chapter 7 (600/1997) — **Performance and management accounting and other monitoring systems** (254/2004)

Section 55 (254/2004)

- (1) In addition to its accounting stipulated in section 41, a government agency shall arrange for monitoring of operational performance (*performance accounting*) so that they produce in an economical and reliable manner:
 - 1) The essential information required for external steering of the government agency; and
 - 2) The information stipulated in sections 63 and 65 to be presented in the final accounts and annual activity report on operations.
- (2) In arranging for performance accounting and other monitoring system, the continuity of operations shall be taken into account so that the essential information regarding finances and performance to be reported in the final accounts and the annual report can be compared with that of the current year and of the previous two years.
- (3) A government agency shall arrange for management accounting and its utilisation in management in the manner required by to attain results in the agency's performance and by procedures for internal control stipulated in section 69.

Section 56 (1253/2004)

Unless the purpose for which assets are used provides otherwise, the effective interest cost to the State, calculated by the Treasury, of euro-denominated long-term borrowing in the budget year previous to the estimation shall be used as the required yield in government investment calculations and other evaluations of capital employment.

Section 57

Section 57 repealed by Decree 254/2004.

Section 58 (600/1997)

Government agencies shall keep stock accounts on the current assets in their possession unless the Treasury otherwise provides for some special reason in individual cases. If the value and amount of an agency's stocks is very low, it does not need to keep stock books. In this case, however, the agency shall make an inventory

of its current assets at the end of the budget year. The Treasury can give further provisions on stock accounting.

Section 59 (600/1997)

Government agencies shall keep fixed assets bookkeeping on the national assets and fixed assets in their possession. The Treasury can give further provisions on fixed assets accounting.

Section 60 (1175/2002)

Section 60 repealed by Decree 1175/2002.

Chapter 8 (600/1997) — **Final accounts**

General provisions

Section 61 (600/1997)

- (1) The final accounts of the accounting offices shall be drawn up in a uniform manner.
- (2) The final accounts of extra-budgetary State funds shall observe, as applicable, the provisions of this Decree concerning the final accounts of accounting offices, unless provided otherwise in the law.

Section 62 (254/2004)

- (1) As necessary, the Ministry of Finance will issue more detailed regulations regarding the final central government accounts and the final accounts of the accounting offices as well as extra-budgetary State funds and the appendices thereto, and likewise the preparation of final accounts.
- (2) The Treasury will issue the necessary regulations on the technical provision of final accounts information and final accounts to the Treasury and, in addition, the instructions necessary for the final accounts of the government accounting offices and for the appendices thereto and their preparation.
- (3) In an individual case and for a specific reason, the Ministry of Finance can allow a departure from the regulations of this decree regarding final accounts.

Final accounts of accounting offices

Section 63 (254/2004)

- (1) A government agency acting as an accounting office shall prepare final accounts for each budget year. These accounts comprise the following:
 - 1) an annual activity report describing operational performance and the trend therein and its impact on the effectiveness of government policies and finances;
 - 2) a budget outturn statement describing the outturn of the budget;
 - 3) an income and expenditure statement describing revenue and expenditure;
 - 4) a balance sheet describing the financial situation on the closing date;
 - 5) information to be given in notes and appendices (*appendix information*).
- (2) The financial statements and appendices and the information appended therein referred to in subsection 1(2–5), shall be prepared by the accounting office for the past budget year and submitted to the Treasury at the time designated by it. The final accounts shall be prepared and approved by 15 March immediately following the budget year.
- (3) The final accounts are approved and signed by the head of the government agency acting as an accounting office. If the agency has a board of directors or other similar

multi-member body with executive authority, this body shall approve and sign the final accounts in addition to the head of the agency. The final accounts of the ministry are approved and signed by the minister acting as head of the ministry, as proposed by the official acting in the capacity of permanent secretary of the ministry. If another minister is also designated to deal with issues in the ministry's sector, he approves and signs the final accounts with respect to the duty areas in question.

- (4) After approval of the final accounts, the accounting office shall send them without delay to the ministry, the State Auditing Office, and the Treasury. The final accounts are placed in the Treasury's public website unless otherwise provided by the openness act with regard to certain parts thereof.

Section 64 (254/2004)

- (1) The budget outturn statement of the accounting office must present the following with the accuracy of the breakdown of budgetary accounts:
 - 1) information on appropriations transferred from previous budget years and those transferred to the next budget year; and
 - 2) information on budget authorizations granted in the budget and the use thereof, expenditure during the budget year due to said use, and appropriation needs due to the use thereof in subsequent budget years.
- (2) The budget outturn statement; statement on income and expenditure, and the balance sheet are prepared in compliance with the forms regulated by the Ministry of Finance and other provisions of the Ministry of Finance.
- (3) Balance sheet specifications are prepared to verify the financial statements.

Section 65 (254/2004)

- (1) The activity report on operations included in the final accounts of the accounting office shall comprise the following:
 - 1) a review of activity by management and especially of the most important changes that have occurred therein, and management's assessment of performance and the trend therein during the budget year (*review by management*);
 - 2) the most important information concerning the economy and productivity of activity, the performance and profitability of priced activities, the cost recovery rate of jointly financed activities and the trend therein (*information on operational efficiency*);
 - 3) the most important information concerning the volume of services performed and public goods produced and the most important information concerning service capacity, the quality of services and public goods and the trend therein, and an account of the impact on the effectiveness of government policies and finances (*information on output and quality management*);
 - 4) the most important information on the number of personnel, structure of personnel in various task groups, personnel expenses and the structure thereof, and labour welfare and the trend therein, as well as the trend in expertise and other intangible capital and the renewal of functions and services (*information on human resources management*);
 - 5) the most important information on the effectiveness and grants of the accounting office, and of other government support and corresponding transfers, and also of capital expenditure implemented by the accounting office (*information on the effectiveness of transfers and capital expenditure*);
 - 6) an analysis of financial statements, in which factors apparent from the financial statements regarding the trend in, and structure of, finances and the connections

between finances and performance are explained (*analysis of financial statements*);

- 7) an assessment of the appropriateness and adequacy of internal control and of the risk management entailed therein and a statement of the status and the most essential developmental needs of internal control (*assessment and statement of assurance of internal control*);
 - 8) the most important information regarding assessment of the impact and effectiveness of activity if a more extensive assessment of the impacts and performance of the activity within the sphere of the accounting office was made during the budget year (*results of assessments*);
 - 9) a summary of abuse and crime relating to State assets or assets for which it is responsible, and of preliminary investigation and legal proceedings as well as of other procedures initiated due to abuse and crime (*summary information concerning errors and misuse*) and, in addition, a summary of the recovery of government support or central government transfers to local government in a government agency acting as an authority for government transfers and grants or as an authority granting government funding (*summary information on recovery*).
- (2) The information on operational performance referred to in subsection 1(2–5) above is presented as far as possible by using the appropriate indicators, supplemented as necessary with qualitative statements. The information concerning performance shall include the comparisons to the performance targets confirmed in section 11 and also analyses of derogations, and the most essential reasons therefore.

Section 65 a (254/2004)

- (1) If a ministry has confirmed performance targets for a government agency that is not acting as an accounting office in the manner provided in section 11, the said government agency shall prepare an activity report on its own activity during the time designated by the ministry. Such a report must, however, be prepared by the 15th of March immediately following the budget year. In the report on operations, the government agency shall provide the principal information on the factors regarding the operational performance referred to in section 65, subsection 1(1–4) and the assessment and statement of assurance for internal control referred to in item 7. The report is approved and signed by the head of the government agency. If the government agency has a board of directors or a similar multi-member body with executive authority, this body will approve and sign the report in addition to the head of agency. The activity report on operations is prepared and the information in it submitted in the manner otherwise provided by the ministry. As necessary, the ministry in question will also issue further provisions on the activity report on operations referred to in this article.
- (2) After approval, the report must be sent without delay to the ministry, the State Audit Office, and the Treasury. The report and the performance information included in it are placed on the public website maintained by the Treasury, unless otherwise provided by the openness act with regard to certain parts thereof.

Section 65 b (254/2004)

- (1) Unless otherwise provided by the law, the final accounts of extra-budgetary State funds shall include the following:
 - 1) an activity report on operations describing operating performance and the trend therein and the impact of operations on the effectiveness of government policies and finances;
 - 2) statement of income and expenditure describing revenue and expenditure;

- 3) a balance sheet describing the financial position on the closing date;
 - 4) a cash-flow statement describing cash flows;
 - 5) information in notes and appendix information (*appended information*), which includes information concerning the budget outturn allocation table for off budget assets or of a budget approved for an extra-budgetary fund.
- (2) Otherwise, the provisions in this decree pertaining to the final accounts of an accounting office are applied to the final accounts of an extra-budgetary State fund.

Definition of capital assets

Section 66 (600/1997)

- (1) The national assets, fixed assets, current assets and liquid assets in the possession of the accounting office shall be entered in the balance sheet as separate asset items.
- (2) 'National assets' refers to State assets constituting the cultural and natural heritage, where the prime goal of ownership is to conserve the assets and safeguard this conservation. As necessary, the Ministry of Finance will issue further provisions on national assets.
- (3) 'Fixed assets' refers to physical objects, transferable rights and other public goods whose period of impact as a production factor extends over more than one financial year.
- (4) 'Current assets' refers to commodities, which are intended for resale, either directly or after processing, or for consumption.
- (5) 'Liquid assets' refers to cash, accounts receivable and other liquid assets.

Section 66 a (600/1997)

- (1) The assets of the balance sheet shall include entries indicating the undepreciated portion of the acquisition cost of national assets and fixed assets and other long-term expenditure entries in sufficient detail, together with valuation items, together with the capitalized acquisition cost of current assets, and liquid assets. Under liabilities, there shall be entries on capital and reserves, provisions, valuation items and liabilities, divided into long-term and short-term debts. Any debt, or part of a debt, which falls due for payment after one year or later shall be considered a long-term debt. If the agency has a claim on a party to which the agency is itself indebted, the claim and the debt shall be entered separately in the balance sheet.
- (2) All assets and capital covered by restrictive special stipulations shall be entered separately in the balance sheet.

Asset acquisition cost

Section 66 b (600/1997)

- (1) The acquisition cost of an asset is counted as comprising all variable costs caused by its purchase and manufacture.
- (2) If the fixed costs relating to the acquisition and manufacture of an asset are significant compared with its acquisition cost, departure from subsection 1 is allowed so that the acquisition cost is also counted as including the relevant portion of fixed expenses related to acquisition and manufacture of the asset.
- (3) It must be possible to specify expenses deriving from acquisition and manufacture of a commodity and included in capitalized acquisition cost by means of cost accounting or cost calculations.
- (4) Transfers of possession between accounting offices are recorded in commercial accounting as an expense for the commodity in question in the amount of acquisition

cost still unrecorded after the deductions referred to in sections 66 f and 66 g up to the date of transfer. (1175/2002)

- (5) The Treasury will issue further provisions on the definition of asset acquisition cost.

Valuation of balance sheet items

Section 66 c (600/1997)

- (1) The final accounts shall include entries as follows:
 - 1) receivables at their face value, but not in excess of their probable value;
 - 2) securities and other similar financial assets included in financial assets at their cost value or at their estimated market value at the end of the financial period, if lower than cost value;
 - 3) liabilities at face value adjusted by the positive or negative issue premium arising when a loan is taken out or, if the debt is tied to an index or to another similar standard of comparison, at the higher value resulting from changes therein. (1175/2002)
- (2) Receivables, liabilities and other commitments in foreign currencies shall be translated into euro units according to the last rate of the financial year issued by the Central European Bank. If the receivables, liabilities or other commitments are tied to a given rate of exchange by agreement or otherwise, they shall be translated into euro units observing that rate of exchange. (1253/2004)

Revaluations

Section 66 d (600/1997)

If the probable transfer price of a land or water area, building, security or other comparable commodity included in national assets or fixed assets is permanently significantly higher at the end of the budget year than the acquisition cost, a revaluation equal to not more than the difference between the estimated sales price and the undepreciated portion of the acquisition cost can be included in the balance sheet, in addition to the undepreciated acquisition cost. The amount of the revaluation shall be shown as a valuation item under liabilities. If the revaluation proves to be unjustified, it must be reversed.

Balance sheet specifications

Section 66 e (600/1997)

- (1) The balance sheet specifications shall list, in detailed groupings, all national assets and fixed assets, or increases and decreases therein during the budget year, all current assets and liquid assets, and other long-term expenditure and long-term investments entered in the balance sheet (capitalized), together with liabilities.
- (2) The balance sheet specifications can, with Treasury permission, be made as computer output or in some other manner readable using magnifying equipment and capable of being converted into clear written form if necessary.
- (3) Balance sheet specifications must be dated, and signed by the persons who compiled them.

The capitalisation in income and expenditure statements and balance sheets

Section 66 f (19.6.1997/600)

- (1) In the final accounts, commercial accounting revenues for the budget year shall be entered as income. The expenses deductible from income shall comprise those commercial accounting expenses against which a product or service has been delivered, together with all other expenditure during the budget year for which the corresponding delivery will probably never take place, and losses. Other commercial accounting expenditure may be capitalized as provided below.
- (2) If the revenue to be accrued from the delivery of goods or services of significant extent and comprising a number of stages has been allocated in the Budget as revenue for the budget year in accordance with the provisions of section 5 b (2), the delivery of the goods or services shall be entered in the commercial accounting as yield on the basis of the stage of delivery or of processing. The accounting office shall observe the same criterion in entering all the revenue referred to in this subsection as yield. (254/2004)

Section 66 g (600/1997)

- (1) Any stock acquisition cost outstanding at the end of the budget year shall be capitalized. However, if the estimated acquisition cost of stocks or the selling price of the stocks in chargeable operations is lower at the end of the budget year than their original cost, however, the difference shall be recorded as an expense.
- (2) The acquisition cost of national assets and fixed assets shall be capitalized and entered as depreciation according to a pre-determined plan over the useful lives of the assets.
- (3) If other long-term expenditure is capitalized, it must be depreciated according to a pre-determined plan.
- (4) The income and expenditure statement or the balance sheet, or the notes thereto, shall indicate depreciations of national assets and fixed assets and other long-term expenditure deducted from the earnings for the budget year, broken down by balance sheet item, and also provide an explanation of the grounds for the pre-determined depreciations and changes in them. The depreciation plans and changes in them shall be drawn up in written form and appended to the balance sheet specifications.
- (5) As necessary, the Treasury will issue further provisions on depreciation and the compilation of depreciation plans, and on capitalisation in general.

Notes to an accounting office's annual accounts

Section 66 h (254/2004)

The following shall be appended to the final accounts:

- 1) with regard to preparation of the final accounts, information concerning the principles and valuation principles observed, and the grounds according to which an exchange rate is used to convert the receivables, debts, and other commitments of a government agency denominated in foreign currency into Finnish currency, and an account of other factors affecting the comparability of the final accounts with the final accounts of the previous year;
- 2) an account of net-budgeted estimated revenues and appropriations supplementing the budget outturn statement;
- 3) information regarding appropriation overruns in estimated appropriations;
- 4) information regarding cancelled deferred appropriations;
- 5) an itemization of personnel costs that comprises an account of the division of personnel costs of a government agency into salaries, wages, remunerations, and

- performance-based components, of the salaries and remunerations of management, the combined value of fringe benefits, holiday pay liability, pension expenditure and other social security costs;
- 6) an account of the grounds for depreciation according to plan and the change therein;
 - 7) an account of depreciation on national and other long-term expenditure and fixed assets, itemized according to balance sheet items;
 - 8) an itemization of financial income and expenditure;
 - 9) an itemization of the loans of the government agency granted from the State budget economy that were valid at the end of the budget year;
 - 10) an account of stocks and shares of various kinds in the possession of a government agency and of other securities equivalent to shares, and of equity capital investments made by a government agency;
 - 11) an account of balance sheet financial items and of liabilities of the State budget economy managed by the government agency and the changes therein;
 - 12) an itemization of state guarantees and warranties and other government liabilities granted by a government agency and in effect at the end of the budget year;
 - 13) an itemization of assets entered in funds in the balance sheet of the government agency;
 - 14) an itemization of the off-budget assets, foundations, and associations administered by the government agency, not included in the balance sheet;
 - 15) the accounts required by the Ministry of Finance;
 - 16) other supplementary information required for a true and fair account.

Statement of the ministry on the final accounts (254/2004)

Section 66 i (254/2004)

- (1) By 15 June following the budget year, the ministry shall annually issue a statement, including the grounds therefore, on the final accounts of the accounting office and extra-budgetary State funds activity in its administrative sector, and of the measures occasioned by the final accounts and the auditors' report of the State Audit Office on them, and by other accounts and statements concerning the activity and finances as well as the final accounts of the accounting office or of the extra-budgetary fund.
- (2) In its statement on the final accounts, the ministry shall provide the following:
 - 1) an estimate of performance and the trend therein and of the outturn of the performance targets set in compliance with section 11;
 - 2) a statement as to whether the grounds for reporting performance are appropriate with respect to steering and accountability and the ministry's position on development needs;
 - 3) the measures that should be taken by the accounting agency or an extra-budgetary fund and by any government agency belonging to the accounting office due to the final accounts and to improve performance;
 - 4) the measures to be taken by the ministry because of the final accounts and to improve performance.
- (3) If in compliance with section 11, a ministry has set performance targets for a government agency that is not an accounting office, the ministry shall submit a statement, including the grounds therefore, on the measures occasioned by the activity report on operations of the government agency and by the audit reports of the State Audit Office concerning its finances and activity. The provisions concerning the statement on the final accounts as stipulated in subsection 1 apply to the activity report on operations as appropriate.

- (4) The ministry shall inform the Ministry of Finance, the State Audit Office, and the State Treasury of its statement. Statements are placed on the Treasury's public website unless the openness act provides otherwise with regard to certain parts thereof.

Central government final accounts and preparation of the State Annual Accounts Report (254/2004)

Section 67 (254/2004)

- (1) The statement on the Budget outturn is prepared on the basis of the general ledger for budget accounting and of information regarding budget-authorization accounting. The Statement on the Budget outturn contains the information concerning budget revenue and expenditure with the accuracy of main titles of revenue and expenditure or of main title, class, and item, and a comparison of the outturn of revenue and appropriation accounts and the Budget presented with similar accuracies. The Statement on the Budget outturn presents information on deferrable appropriations from previous budget years and on deferrable appropriations for the following budget year. In conjunction with the Statement on the Budget outturn, information is given with the accuracy of main title and item on budget authorizations and the exercise thereof during the budget year, expenditure generated by said exercise during the budget year, and the appropriation needs generated by the exercise of budget authorizations in subsequent budget years.
- (2) If the amount equivalent to the surplus referred to in section 3 b (1) of the State Budget Act is used in covering the budget, said amount is entered in the statement on the Budget outturn as a separate item in conjunction with budget revenues. If an appropriation is included in the budget to cover the deficit referred to in subsection 2 of the above-mentioned section, said appropriation is entered in the Statement on the Budget outturn as a separate item in conjunction with budget expenditure. In addition, the statement of the Budget outturn presents, with the accuracy of main titles of revenue and expenditure, and, after comparison of the Budget with the revenue estimates and appropriating accounts with the accuracy of main titles or revenue and expenditure, class and item, the accumulated surplus or deficit for the end of the budget year referred to in subsection 1 of the above-mentioned section, at the end of the previous budget year and of the current budget year.
- (3) The statement on income and expenditure and the balance sheet and the cash flow statement are prepared on the basis of the general ledger for central government commercial accounting on the basis of the account information of the accounting offices in accordance with the forms provided by the Ministry of Finance for the statement on income and expenditure, balance sheet, and funds statement. The effects of revenue and expenditure between government agencies and the effects of mutual receivables and payables are eliminated, taking the significance of the matter into account. As necessary, the Ministry of Finance will issue further provisions.

Section 67 a (254/2004)

The following shall be appended to the State Final Annual Accounts:

- 1) with regard to preparation of the final accounts, information concerning the principles and valuation principles observed, and the grounds according to which an exchange rate is used to convert into Finnish currency the receivables, debts, and other commitments of the government agency that are denominated in foreign currency, and an account of other factors affecting the comparability of the financial statement and Report with that of the previous year;

- 2) information regarding changes made in the Budget on the basis of supplementary budgets;
- 3) information regarding variable annual appropriation overruns in estimated appropriations;
- 4) information regarding cancelled deferred appropriations;
- 5) an itemization of financial income and expenditure;
- 6) an account of loans granted from the central government on-budget assets;
- 7) an account of government stocks and shares of various kinds and of other securities equivalent to shares, and likewise of equity capital investments made by government;
- 8) an account of changes in the liabilities of the central government on-budget economy;
- 9) an account of the maturity breakdown and duration of the liabilities of the central government on-budget economy;
- 10) an itemization of financial items in the balance sheet;
- 11) an account of the cash needs and liquid assets of the central government budget economy balance sheet;
- 12) an itemization of government guarantees and warranties and other contingent liabilities granted by the government in effect at the end of the budget year;
- 13) other supplementary information required to give a true and fair view.

Section 67 b (254/2004)

- (1) The Treasury drafts a proposal for the State final accounts, including appendices, and submits it signed to the Ministry of Finance by the end of April following the budget year for the preparation of the State Annual Accounts Report. In addition, the Treasury drafts the accounts requested by the Ministry of Finance needed by it in preparation of the State Annual Accounts Report.
- (2) The Treasury's proposal for the State final accounts shall include the assessment and statement of assurance by the management of the Treasury on the appropriateness and adequacy of the internal control in the consolidated accounting, in the compilation of the year-end accounts and the appendices thereto, and in the procedures related to them as referred to in section 69.
- (3) In a manner stipulated in more detail by the Ministry of Finance, the Treasury will prepare for the ministries the accounts and reports, based on the final central government accounts and the consolidated accounting, needed for the preparation of the proposal concerning the description of the performance of the ministry's administrative sector to be included in the State Annual Accounts Report.
- (4) The State Treasury shall keep the proposal for the State final accounts, including appendices, the assessment and statement of assurance, the reports referred to in section 68 and the calculations verifying the correctness of the final accounts and other material as provided separately. (1253/2004)

Section 68 (254/2004)

For the preparation of the State final accounts and the appendices thereto, an accounting office and an extra-budgetary State fund shall submit to the Treasury the reports based on the accounting and final accounts of the accounting office or extra-budgetary fund required by the Treasury, by the time it has set.

Section 68 a (254/2004)

- (1) For the preparation of the State Annual Accounts Report, the ministry shall submit to the Ministry of Finance by the 15th April immediately following the budget year the

fair and true information stipulated in section 18 of the State Budget Act as its proposal for a description of the performance of activity in its policy sector. In its proposal, the ministry shall provide a translation for the description of performance in its sector into the other official language by 22 April immediately following the budget year.

- (2) The ministry shall submit the approved final accounts of the unincorporated State enterprises and extra-budgetary State funds in its administrative sector to the Ministry of Finance by 30 April immediately following the budget year and also other proposals required for preparation of the State Annual Accounts Report to be included in the Report together with translations thereof into the other official language.
- (3) The ministry must submit to the Ministry of Finance the information and accounts required for the preparation of the State Annual Accounts Report.

Section 68 b (254/2004)

- (1) The description of the performance of activity in the ministry's sector shall include the following:
 - 1) a review of the activity of the ministry's sector and of the most important changes that have occurred therein and an estimate of the impact on the effectiveness of government policies and finances and of the operational performance of the ministry's administrative sector during the budget year;
 - 2) a review of the most important changes and risks in the operating environment of the sector and an estimate of their significance with respect to the impact on the effectiveness of government activity and funding and to the operating performance of the administrative sector of the ministry in question, and also with respect to arrangement of risk management in the administrative sector;
 - 3) the most important information on developments in the effectiveness of government activity and funding and on the cost efficiency of actions in the ministry's sector;
 - 4) the most important information and estimates of the effectiveness of transfers granted in the administrative sector of the ministry and of the operating performance of activity funded with them;
 - 5) the most important information and estimates of the effectiveness, economy and profitability of investment expenditure used in the ministry's administrative sector;
 - 6) the most important summary information on the trend in operational efficiency, outputs and quality management, and in human resources management;
 - 7) the most important summary information and estimates on the trend in the finances and performance of unincorporated public enterprises and extra budgetary funds operating in the administrative sector of the ministry;
 - 8) a review of the trend in incorporated State companies in the ministry's sector and of ownership policy, and the most important information on the trend in other government business operations;
 - 9) an analysis of the most essential factors regarding the State final accounts and the finances, financial structure, and trend of the ministry's administrative sector apparent from the final accounts of government agencies, unincorporated government enterprises, and extra-budgetary State funds in the ministry's administrative sector and the connections between finances and the trend in performance;
 - 10) the most important information concerning the carrying out of assessments in the administrative sector of the effects and impacts of State activity and funding and

the summary findings of such assessments, if a more extensive assessment of effects was made during the budget year.

- (2) The performance information referred to above in subsection 1(3–7) and whenever applicable, the other information referred to in subsection 1 are presented as far as possible by using appropriate indicators, supplemented with the necessary qualitative explanations. The information concerning performance shall also include comparisons of the tentative performance targets presented in the grounds for the Budget Proposal and the approved performance targets.
- (3) The Government and the Ministry of Finance may give further provisions on the preparation of the description of the performance of the sector and of the preparation of other reports to be included in the State Annual Accounts Report.

Chapter 9 — **Internal control**

Section 69 (263/2000)

- (1) The agency management shall ensure that the proper procedure is followed by government agencies relative to the scope and content of their finances and operations and related risks (*internal control*) in order to ensure:
 - 1) the legality and results of the finances and operations of government agencies;
 - 2) the security of the funds and assets managed by government agencies; and
 - 3) the true and fair view of the finances and operations of government agencies required for each government agency's management and external steering.
- (2) The procedure shall also comprise the management of assets that the government agency is responsible for or mediates, and any functions and tasks of the agency that the agency has delegated to other government agencies, corporations or private parties or is otherwise responsible for.
- (3) The procedure referred to in subsection 1 followed by a government agency acting as an accounting office shall also include the accounting office duties assigned to it.

Section 69 a (254/2004)

The effects on the activity of government agencies of European Community law shall be taken into account in the internal control procedures. In addition, general standards and recommendations regarding internal control shall be taken into account.

Section 69 b (254/2004)

- (1) An accounting office shall have financial rules that are approved by a government agency acting as an accounting office. Financial rules for an accounting office formed from an entity of several government agencies are approved by the government agency acting as the accounting office after hearing the other government agencies belonging to the same accounting office.
- (2) The financial rules shall give detailed regulations on the following:
 - 1) arrangement of operational and financial planning, preparation and approval of budget targets and performance target proposals and implementation of the budget and of the approved performance targets, and the preparation and approval of the internal plans of the government agency concerning the finances and activity, budgets and performance targets;
 - 2) organization and functions of financial management, procedures and responsibilities in the functions of financial management, and other factors essentially affecting internal control and related risk management;

- 3) if the accounting office comprises several government agencies with separate administration and functions based on law or decree, the authority of a government agency and its management in discharging financial management functions;
 - 4) users of the transaction accounts of a government agency and procedures for use, approval of revenue, provisions for the collection thereof, and procedures for the collection of revenue, commitment to expenditure, approvers of expenditure and procedures for approval, and debiting of approved expenditure;
 - 5) arrangements for accounting;
 - 6) arrangements for accounting for performance and management accountancy and for other monitoring systems;
 - 7) information security for the financial management and related systems of the accounting office;
 - 8) procedure for transferring assets from the possession of the accounting office;
 - 9) procedure when error or abuse are noted in financial management;
 - 10) preparation of the final accounts and the related report on operations.
- (3) Other regulations relating to the activity of a government agency acting as an accounting office or to the activities of government agencies belonging to the accounting office can also be issued in financial rules. It can also be provided in the financial rules that regulations in other rules decided by the government agency can be issued instead of financial rules on certain matters concerning the internal activity of administration covered by financial rules in compliance with this decree.
- (4) Financial rules shall be drafted so that together with the rules concerning the administration of a government agency and, the rules of procedure issued on the basis of them regarding the administration of a government agency acting as an accounting office, or of a government agency belonging to an accounting office, appropriate and sufficient grounds for the internal control procedures stipulated in sections 69 and 69 a are provided.
- (5) The Treasury can issue regulations regarding the content and preparation of the financial rules of an accounting office. The ministries, the State Audit Office, and the Treasury must be informed of the financial rules and the other rules referred to in subsection 2 and the changes made therein.

Section 69 c (254/2004)

At the request of another government agency, a government agency shall conduct the financial control or administrative inspection pertaining to its competence, and draw up the necessary documents, if;

- 1) the government agency uses the government funding allocated for the agency requesting the action to use or re-allocate, or funding for which the requesting government agency is otherwise responsible on the basis of legislation;
- 2) the government agency grants partial funding from government funds designated for its use, or other funds for which it is responsible, for an undertaking or activity for which the government agency requesting control or inspection is otherwise responsible, or which is funded either partly or entirely by it;
- 3) it involves another joint undertaking or activity of the government agency that requested control or inspection and that the government agency that received the request.

Section 70 (263/2000)

- (1) If there is due cause in view of the internal control procedures required in sections 69 and 69 a, the management of a government agency shall arrange for internal auditing.

The purpose of internal auditing is to ascertain for the management that the internal control system in place is adequate and sufficient, and to carry out the audits prescribed by the management.

- (2) The general standards and recommendations concerning internal audit shall be taken into account when arranging internal audits.
- (3) The stipulations on the procedures and status of internal audits in a government agency organization are issued in the standing orders for internal auditing confirmed by the agency itself. The relevant ministry and the State Audit Office shall be notified of the standing orders for internal audit.

Section 71 (254/2004)

- (1) There is a Council for Internal Control and Risk Management in conjunction with the Ministry of Finance.
- (2) The task of the Council is the following:
 - 1) to monitor and assess the state of internal control and of the arrangement for the risk management that is a part of it, and the procedures of it in central government, the methods and general development and the effectiveness of internal control, and the utilization of procedures in the guidance and management of finances and activity;
 - 2) to make initiatives regarding the development of internal control and of the risk management that is a part thereof;
 - 3) to agree on the procedures in internal control and in the administrative supervision of financial management with other authorities and government agencies, and to prepare the measures required therein;
 - 4) to monitor and assess the state of the arrangement of internal auditing, the quality and performance of the activity, and the use thereof in management and guidance, and the methods and general trend in internal auditing, and likewise to make initiatives for the development of internal auditing and the utilization thereof;
 - 5) to arrange for coordination of the internal auditing of government agencies and when necessary to harmonize the internal auditing activity of the government agency and the application of results;
 - 6) to monitor and assess the control and auditing of funds of the European Union and reporting concerning them in Finland, and to harmonize and develop the actions and procedures of the various authorities and government agencies therein, and likewise to prepare measures necessary for harmonization and development;
 - 7) to deal tentatively with Finland's reply to the Commission of the European Communities on the annual report of the Court of Auditors as indicated in article 143, item 6 of the Council Regulation on Financial Regulation (EY, Euratom) No. 1605/2002 to be applied to the general budget of the European Communities;
 - 8) to monitor and assess the situation of abuse and crime committed in the activity of government agencies or directed against the assets or property of the government or against assets or property for which the government is responsible, and to coordinate and develop the activity and procedures of the various authorities and government agencies therein, and reporting concerning misuse and error;
 - 9) to deal tentatively with the information about Finland to be compiled for the report referred to in article 280, item 5 of the Treaty establishing the European Community;
 - 10) to arrange training and cooperation and compile and disseminate good practices, and likewise to prepare proposals for recommendations and issue statements on issues pertaining to its sector.

- (3) The chairman of the Council on Internal Control and Risk management is the Government Controller General and the deputy chairman is the Government Deputy Controller General. The Government shall appoint the Council and appoint the members and deputy members thereof for three years at a time so that there is a representative of each ministry on the Council and when necessary representatives of the central co-operation partners of the Council as well as experts on fiscal administration, public finances and management and financial control and auditing.
- (4) The Council may have divisions for preparation of issues to be dealt with therein. The Ministry of Finance invites the members of the divisions. The Council may assign a task for which it is responsible to a division.

Chapter 10 — **Miscellaneous provisions**

Section 71 a (927/1994)

- (1) In the interests of good accounting practice, there may be a State accounting board (hereinafter accounting board) at the Treasury, to provide opinions and recommendations when requested by a State authority, accounting office off-budget activity or unincorporated State enterprise concerning application of the provisions, stipulations and instructions on their accounting and final accounts, and to make proposals and issue recommendations on central government accounting, the compilation of final central government accounts and their development. The accounting board may also give opinions on accounting development projects of general importance.
- (2) The accounting board comprises a chairman and at least six and at most eight other members who each, except for the chairman, have their own personal deputy. The Ministry of Finance shall appoint the chairman, members and deputy members for three years at a time. The accounting board shall elect a deputy chairman from among its members. It can also set up sub-divisions from among its members to work on individual issues. The board and its sub-divisions are entitled to consult experts. The secretarial work and office services needed by the accounting board shall be provided by the Treasury staff as part of their official duties. (99/2005)
- (3) The fees and travel compensation of the board members, deputy members and experts shall be approved by the Ministry of Finance. By the end of March each year, the accounting board shall compile a report for the Treasury on its activities during the previous calendar year. The report shall be supplied to the Ministry of Finance for information. In other respects, what is laid down concerning State committees shall apply to the accounting board, as applicable.

Section 72 (263/2000)

- (1) The value of machinery, equipment, furnishings, supplies and other objects and transferable immaterial rights owned by the State and in the possession of a government agency (*movable State property*) is substantial if the current value of the property to be assigned, or, if this cannot be determined reliably, its book value exceeds 1,000,000 euros. (1252/2001)
- (2) An assignment of movable State property shall be considered substantial if an important issue of principle arising for financial, cultural or other equivalent reasons is related to the movable property to be assigned or its assignment.
- (3) What is provided on assignments above does not apply to the assignment of possession of movable property between government agencies.

Section 72 a (263/2000)

- (1) The method that is the most favourable to the State shall be applied in the assignment of movable State property.
- (2) Movable property may be assigned at a price lower than its current value in the following situations, if the assignment can be considered economically justified and expedient in relation to the State's best interest:
 - 1) when the assignment takes place in the context of the acquisition of new property;
 - 2) when the movable property to be assigned or the assignment is related to an important issue of principle arising for financial, cultural or other equivalent reason;
 - 3) when the assignment of movable property helps avoid substantial financial loss to the State;
 - 4) when the assignment takes place as a sale to the personnel of a government agency, if the sale is carried out as a direct sale, on the basis of bids or by auction.
- (3) In the cases referred to above in subsection 2(1-3), movable State property may also be assigned without consideration if the assignment can be considered clearly justified and expedient in view of the best interest of the State.

Section 72 b (263/2000)

Movable property which is no longer in use can be assigned without consideration if the assignment can be considered justified and expedient in view of the best interest of the State:

- 1) for a non-profit purpose or a purpose related or equivalent to environmental protection, education or general cultural activity;
- 2) for cooperation carried out by Finland in Finland's neighbouring areas or a related purpose;
- 3) for development cooperation or a related purpose; or
- 4) for peacekeeping operations and other equivalent international cooperation.

Section 72 c (263/2000)

The assignment of State securities shall be considered insignificant, if:

- 1) the current value of securities concerning the same corporation and assigned in one budget year does not total over 1,000,000 euros; (1252/2001)
- 2) the securities are assigned at least at their current value; and
- 3) the assignment does not mean forfeiture of the State's simple voting majority or qualified majority or minority share.

Section 73

Unless separately provided, the provisions of chapters 3–9 of this Decree shall not apply to unincorporated State enterprises, which are covered by the provisions of the Act on Unincorporated State Enterprises.

Section 74

Further provisions on the application of this Decree will be issued as necessary by the Ministry of Finance.

Chapter 11 — **Entry into force**

Section 75

- (1) This Decree enters into force on 1 January 1993.

- (2) It thereby repeals the decree of 13 May 1988 on the Budget (424/1988) and all later amendments of it.
- (3) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

Section 76

The provisions of the repealed decree referred to in section 75(2), which are in force when the present Decree takes effect shall be applied to the implementation of the Budget, to accounting and to the Financial Statement and Report for budget year 1992, and to the structure of the budget for budget year 1993.

Section 77

- (1) Until otherwise ordered by virtue of this Decree, further provisions issued under the repealed decree referred to in section 75(2) shall still apply, unless they conflict with this Decree.
- (2) Permits issued by virtue of provisions in the repealed decree referred to in section 75(2) above, which are in force when the present Decree takes effect, shall remain in force insofar as they do not conflict with the provisions of this Decree.

Section 78

Accounting agencies shall approve the financial regulations referred to in section 26 by 1 June 1993 at the latest. Until then, standing orders on accounts approved by virtue of the repealed decree referred to in section 75(2) above, and other standing orders shall apply unless they conflict with this Decree.

Entry into force and application of amendments:

927/1994

- (1) This Decree enters into force on 1 November 1994.
- (2) Section 24 of this Decree, however, enters into force on 1 January 1995. Section 5(3)(2) of the Decree applies for the first time to the 1995 Budget.
- (3) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.
- (4) Rights granted under section 24 and in force at the time of entry into force of this Decree will continue to be in force indefinitely insofar as they are not in conflict with the provisions of this Decree until otherwise provided by Ministry of Finance decision.

1587/1995

- (1) This Decree enters into force on 1 January 1996. Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

1042/1996

- (1) This Decree enters into force on 1 January 1997.
- (2) Sections 65 and 65a of this Decree are applied for the first time to the report on operations for 1997, until which time the provisions in force at the time of entry into force of this Decree apply.
- (3) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

600/1997

- (1) This Decree enters into force on 1 January 1998. Section 46(3-5), however, enters into force on 1 July 1997.
- (2) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.
- (3) Permissions granted by the National Audit Office before the entry into force of the Decree remain in force under the conditions given in the permission decision for the period given in the decision if they are not in conflict with the provisions of this Decree.
- (4) The opening balance sheets of accounting offices must be drawn up in accordance with uniform principles. In drawing them up, the provisions of sections 64, 66 and 66 e of this Decree must be complied with. Further provisions on drawing up opening balances and related inventory of assets are issued by the Ministry of Finance. The Treasury issues any necessary complementary provisions.
- (5) The opening central government balance sheet is prepared by the Treasury and approved by the Government plenary session. The opening balance sheet of an accounting office is approved and signed by the head of the accounting office. If the accounting office has a board or some other management organ, this organ approves the opening balance sheet.
- (6) Unless otherwise provided, the drawing up of the opening balance sheets for off-budget entities must comply as appropriate with the provisions of this Decree on drawing up the opening balance sheets of accounting offices.
- (7) The final accounts must be drawn up under this Decree for the first time for budget year 1998. Accounting offices and off-budget entities must include the previous year's statement on returns and expenses, balance sheet and statement on the Budget outturn for the first time in the final accounts drawn up for budget year 1999.
- (8) Provisions in force at the time of entry into force of this Decree are applied to the accounts, other accounting and final accounts of budget year 1997.

823/1997

- (1) This Decree enters into force on 1 September 1997.
- (2) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

1111/1998

- (1) This Decree enters into force on 1 January 1999.
- (2) Sections 42 c, 42 d and 42 f of the Decree are applied for the first time to the 1998 accounts of government agencies and departments and off-budget entities, and section 63(4) for the first time to the 1998 final accounts of accounting offices.
- (3) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

263/2000

- (1) This Decree enters into force on 6 March 2000.
- (2) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

1054/2000

- (1) This Decree enters into force on 1 January 2001.
- (2) Section 41 c of the Decree applies as of 18 December 2000, however.

- (3) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

1252/2001

- (1) This Decree enters into force on 1 January 2002.
- (2) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

718/2002

- (1) This Decree enters into force on 1 September 2002.

1175/2002

- (1) This Decree enters into force on 1 January 2003.
- (2) The Decree is applied for the first time to the Budget, accounting and final accounts of budget year 2003.

321/2003

- (1) This Decree enters into force on 24 April 2003.
- (2) Section 4 of the Decree is applied for the first time to the Budget for budget year 2004.

936/2003

- (1) This Decree enters into force on 20 November 2003.
- (2) This Decree is applied for the first time to the Budget for budget year 2003.

254/2004

- (1) This Decree enters into force on 15 April 2004.
- (2) Decree section 66 f (2), and sections 67, 67 a, 67 b, 68, 68 a, 68 b and 69 c will be applied for the first time in the budget for budget year 2004 and in the accounting, accountancy and reporting for the financial year 2004. The government agencies must provide the Treasury with the information for the 2004 budget year required in preparation of the Budget outturn statements and accounts of the Budget authorizations and the exercise thereof.
- (3) Decree sections 1 b, 11, 14, 23, 29, 30 and 37–39, section 41(2), section 42 a (1), and sections 54 a, 62–65, 65 a, 65 b, 66 h and 66 i will be applied for the first time in the budget for budget year 2005 and in the accounting, accountancy and reporting for the financial year 2005.
- (4) Sections 8–10 of the decree will be applied to the period of operational and financial planning commencing from the beginning of 2006.
- (5) The financial rules of the accounting office shall comply with the requirements stipulated in 69 b by 31 December 2005. However, the regulations referred to in sections 29, 30 and 37–39 and in section 69 b, subsection 2(4), shall be included in the financial rules by 1 January 2005.
- (6) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

1253/2004

- (1) This Decree enters into force on 1 January 2005.
- (2) Measures necessary for the implementation of this Decree may be undertaken before the Decree's entry into force.

99/2005

(1) This Decree enters into force on 1 March 2005.

677/2007

(1) This Decree enters into force on 15 June 2007.