



RIKSREVISIONEN
The Swedish National Audit Office

RiR 2010:13 Summary

Security of central-government payments

Summary

In December 2007, *Riksrevisionen* (the Swedish National Audit Office, SNAO) published a performance-audit report (RiR 2007:28) on the emergency preparedness of the payment system. That report contained a broad review of emergency preparedness in the Swedish payment system as a whole. Parts of it addressed the security of the central-government payment system. The SNAO's findings regarding that part of its audit were published in a classified annex to the main report. This annex identified a particularly serious risk and vulnerability in the system for central-government payments, adding that while there was an opportunity to reduce this risk and vulnerability, the government agencies audited at the time did not make use of that opportunity.

The SNAO has now carried out an in-depth audit of the security of central-government payments. The aim of this audit was to assess whether the actions taken by the Government and the agencies are sufficient to prevent serious errors in, or criminal abuse of, central-government payments from occurring and to manage any such errors or abuse that might occur.

The auditees include the Government, the National Debt Office, the Legal, Financial and Administrative Services Agency, the National Financial Management Authority and 20 other agencies.

The audit shows that the serious risk and vulnerability in the central-government payment process that was identified in the classified annex of the SNAO's report on the emergency preparedness of the payment system (RiR 2007:28) still remains. While it is true that the Government and the agencies have taken certain actions to remedy the problems in question, such as training and information efforts, it is also clear from the new audit that no decisive actions have been taken to reduce this risk and vulnerability or to enhance the security of central-government payments in other respects.

The shortcomings observed are major. They relate, among other things, to a lack of clarity about the division of responsibility for the security of central-government payments and to the absence of overall risk analyses – including uncertainty as to whose duty it is to perform such risk analyses. What is more, a number of fundamental shortcomings in procedures and rules for internal control and security at the agencies have been observed. These shortcomings are described in greater detail in a classified annex to the present report.

The SNAO considers that if these shortcomings are not remedied, there is a risk that large unintentional incorrect payments may be made or that crimes may be committed that lead to extensive consequences both for the central-government sector and for society in general.

There may also be a risk that those shortcomings will be exploited by antagonistic forces wishing to disrupt Sweden's payment system.

Against this background, the SNAO recommends that the Government, the National Debt Office, the National Financial Management Authority, the Legal, Financial and Administrative Services Agency and the other government agencies responsible should take a number of actions without delay in order to increase the security of the system for central-government payments. Those actions are presented in greater detail in the classified annex