



Auditor's report for Karolinska Institutet 2020

Report on annual report

Opinion

The Swedish National Audit Office, in accordance with Section 5 of the Act on Audit of State Activities, etc. (2002:1022) has audited the annual report of Karolinska Institutet for 2020, dated 18 February 2021.

In the opinion of the Swedish National Audit Office, the authority has, in all material respects:

- prepared the annual report in accordance with the Ordinance concerning the Annual Reports and Budget Documentation (2000:605), instructions, appropriation directions and other decisions for the authority.
- presented a true and fair view of the financial position of Karolinska Institutet as of 31 December 2020 and of its financial performance and funding for the year then ended.
- submitted a performance report and other information which is consistent with and supports a true and fair view in the annual report as a whole.

Basis for opinion

The Swedish National Audit Office has conducted the audit in accordance with the International Standards of Supreme Audit Institutions (ISSAI), and the Swedish National Audit Office's instruction for auditing the performance report and other information in annual reports (RRI). Our responsibility under those standards is described in more detail under "*The auditor's responsibility*". We are independent of the public authority in compliance with ISSAI 30, Code of Ethics, and have fulfilled our obligations in accordance with this Code. The Swedish National Audit Office believes that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

The management's responsibility for the annual report

The management is responsible for the preparation of an annual report that gives a true and fair view in accordance with the Ordinance concerning the Annual Reports and Budget Documentation (2000:605) and in accordance with instructions, government appropriation directions and other decisions for the authority. The management is also responsible for such internal control as management determines is necessary to enable the preparation of an annual report free from material misstatements, whether due to fraud or error.

When preparing the annual report, management is responsible for assessing the authority's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting, unless there are special reasons for not doing so.

The auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual report as a whole is free from material misstatement and to issue an auditor's report that includes the Swedish National Audit Office's opinions. Reasonable assurance is a high degree of assurance, but not a guarantee that an audit in accordance with ISSAI and RRI will always detect material misstatements where such misstatements occur. Misstatements can arise from fraud or error and be considered material if they, individually or together, can reasonably be expected to influence the financial decisions taken by the user on the basis of the annual report.

As a part of an audit in accordance with ISSAI, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatements in the annual report, whether due to fraud or error, design and perform our auditing procedures to manage these risks, and thereby obtain sufficient and appropriate audit evidence to provide a basis for our opinions. The risk of not detecting a material misstatement as a result of fraud is higher than for one resulting from errors, as fraud may entail collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the internal control relevant to the audit in order to design auditing procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the efficiency of the public authority's internal control.
- evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures presented by the management in the annual report.

- draw a conclusion concerning the appropriateness of management's use of the going concern basis of accounting when preparing the annual report. We also draw a conclusion, based on the audit evidence obtained, on whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, in our auditor's report we will draw attention to the disclosures in the annual report concerning the material uncertainty and the assessment made or, if adequate disclosure is not made, modify our opinion on the annual report.
- evaluate the overall presentation, structure, and content of the annual report, including disclosures, and whether the annual report reasonably represents the underlying transactions and events in a manner that achieves fair presentation.

As part of the review in accordance with RRI, we also plan and conduct the audit to:

- for significant information of a financial or non-financial nature, provided as part of the performance report, obtain sufficient and appropriate audit evidence that such information has been provided in a consistent way to support the overall fair presentation of the activities according to regulations.
- for other information, not directly connected to the financial parts of the report, ascertain its consistency with the other parts of the annual report and that it is free from material misstatements, based on our knowledge of the public authority.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The management's compliance with applicable regulations for the use of grants and revenues

Opinion

In the opinion of the Swedish National Audit Office, based on our audit of the annual report, in all material respects the authority has used the grants and revenues in compliance with the purposes approved by the Riksdag and in accordance with applicable regulations.

Basis for opinion

We have conducted our audit in accordance with ISSAI and RRI. Our responsibility under those standards is described in more detail under "*The auditor's responsibility*".

The Swedish National Audit Office believes that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibility

The management of the public authority is responsible for ensuring that the use and accounting for grant funds and revenues is in compliance with applicable regulations and according to the financial terms and conditions stated in the appropriation directions and separate government decisions for the public authority.

The auditor's responsibility

Our responsibility is to review the annual report of the public authority in accordance with ISSAI and RRI. Our auditing standards require us to review legal and regulatory compliance and any effects of significant deviations from applicable regulations in the financial parts of the annual report. Our responsibility is also to review whether the management's administration follows applicable regulations and other separate decisions. In addition to the regulatory framework and separate decisions which directly affect accounting, this includes the regulations which refer directly to the use of funds decided by the Riksdag and the Government.¹ On the basis of the audit of the annual report, we express an opinion on the public authority's compliance with this regulatory framework.

The management's assessment of internal control

Opinion

Based on our audit of the annual report, nothing has emerged to indicate that the management in its assessment of internal control has failed to follow the Ordinance on Internal Control (2007:603).

Basis for opinion

We have conducted our audit in accordance with ISSAI and RRI. Our responsibility under those standards is described in more detail under "*The auditor's responsibility*".

The Swedish National Audit Office believes that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibility

The management of the authority is responsible for submitting, in compliance with the requirements in the Ordinance concerning Annual Reports and Budget Documentation (2000:605), instructions, appropriation directions and separate decisions for the authority, a statement on the internal control at the authority.

¹ Appropriations ordinance (2011:223), Ordinance on fees and charges (1992:191), Ordinance on loans and guarantees (2011:211), Ordinance on capital provision (2011:210), Ordinance on the transfer of government real estate (1996:1190), Ordinance on the transfer of government movable assets (1996:1191).

The auditor's responsibility

Our responsibility is to express an opinion on the annual report on the basis of our audit. We conducted the audit in accordance with ISSAI and RRI. The planning and implementation of the audit relates to the parts of internal control which are relevant to how the public authority prepares its annual report to present a true and fair view. Our responsibility does not include auditing the efficiency of the public authority's internal control. Our opinion concerning the management's assessment of the internal control is therefore based on the measures we have taken to review the annual report, and this does not give the same level of assurance as an opinion based on an audit.

The auditor responsible for the decision was Kent Gustafsson. Audit manager Elina Gustafsson presented the results.

Kent Gustafsson

Copy for information:

Karolinska Institutet
Ministry of Education
Ministry of Finance, Budget Department