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of Austria**

to the United
Nations in Vienna

Reference: CU 2020/417(A)/DTA/CEB

Collection of information prior to the twelfth meeting of the Working Group

Annex I

Guidance note for the provision of information by States parties for the twelfth session of the Working Group on the Prevention of Corruption, to be held from 14 to 18 June 2021

1. The secretariat has produced this Guidance Note to assist States parties in providing information on initiatives and practices that they have implemented regarding the topics under consideration at the twelfth meeting of the Working Group on the Prevention of Corruption taking place from 14 to 18 June 2021.
2. The secretariat wishes to recall paragraph 12 of the report of the Group at its second session, in which the Group recommended that States parties should be invited to share their experiences of implementing the provisions of the Convention under consideration in advance of each meeting, preferably by using the self-assessment checklist.
3. In furtherance of that report, the secretariat outlines below some guidance on the type of information sought, that States parties may wish to consider when providing information. It should be emphasized that any information believed to be relevant to the topic under consideration would be appreciated. Moreover, it should be noted that some of the information may have already been provided by States parties in the context of their reviews under the second cycle of the Implementation Review Mechanism. and the below is only providing guidance to States parties.

Information requested from States parties in relation to strengthening the role of supreme audit institutions in the prevention of and fight against corruption (Resolution 8/13 of the Conference of the States Parties to the United Nations Convention against Corruption)

Article 9, paragraph 2:

“Each State Party shall, in accordance with the fundamental principles of its legal system, take appropriate measures to promote transparency and accountability in the management of public finances. Such measures shall encompass, inter alia:

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...

(c) A system of accounting and auditing standards and related oversight;

(d) Effective and efficient systems of risk management and internal control; and

(e) Where appropriate, corrective action in the case of failure to comply with the requirements established in this paragraph”.

1. Please describe (cite and summarize) the measures/steps that your country has taken, if any, (or is planning to take, together with the related time frame) to implement the relevant provision of the Convention and to promote the implementation of resolution 8/13.

In relation to article 9, paragraph 2 and measures/steps that have been taken, States parties may wish to consider including the following:

- Measures taken to promote, in accordance with the fundamental principles of the legal systems, the independence of the supreme audit institution;
 - In its capacity as General Secretariat of the International Organization of Supreme Audit Institutions (INTOSAI), the Austrian Court of Audit (ACA) has been actively promoting the independence of Supreme Audit Institutions (SAIs) during the last years. While lots of efforts have already been made in the recent past in order to strengthen the independence of SAIs, there is still a need for further action in this regard. During the last years, the General Secretariat of INTOSAI has set a number of activities in order to help SAIs to fulfill their tasks independently.
 - In order to raise awareness in the international community for the importance of independent SAIs, the President of the ACA contacted – in her capacity as INTOSAI Secretary General (SG) – for example in April 2018 the United Nations (UN) Under-Secretary- General for Economic and Social Affairs. In this communication, the INTOSAI SG stressed that SAIs can only fulfil their tasks – such as their contribution to the successful achievement of the 2030 Agenda – effectively if their independence is guaranteed.
 - Additionally, the INTOSAI SG contacted all INTOSAI members in 2019 with the request to ask their Permanent Missions in New York for their support in raising the awareness of the UN for the importance of independent SAIs.
 - With the aim of promoting SAI independence and showing INTOSAI’s efforts in this regard, the General Secretariat prepared a “Folder on SAI Independence”. In February

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2019, the INTOSAI SG and the Chair and Vice-Chair of the Steering Committee of the INTOSAI-Donor Cooperation met the Interim President of the World Bank in Washington to raise awareness of the World Bank and the Donor Community for the fact that only independent SAIs at the national level are in the position to strengthen transparency and accountability. In order to underpin this request, the representatives of INTOSAI also presented the “Folder on SAI Independence” mentioned above.

- In the recent past, the INTOSAI General Secretariat has also repeatedly supported and participated in initiatives to strengthen the independence of SAIs. In November 2019, the Chair of the INTOSAI Development Initiative (IDI) and the INTOSAI SG sent out a joint statement, in which they expressed their concern with regard to the long-term vacancy of the supreme management position of the State Audit Office of the Republic of North Macedonia. Furthermore, they offered their support towards providing the State Audit Office of the Republic of North Macedonia with an appropriate institutional framework that will ensure compliance with the Declarations of Lima and Mexico. In December 2019, a new Auditor General of North Macedonia was appointed.
 - The independence of SAIs was also addressed in a joint letter of the SG and the Chair INTOSAI SG, the Chair and Vice-Chair of the INTOSAI Policy-, Finance- and Administration Committee and the Chair of the IDI to the International Monetary Fund (IMF) in July 2020. In response to the COVID-19 pandemic, the IMF provided prompt emergency financial support to countries in need across the world. The letter emphasized that the audit of related commitments and conditions in loan agreements necessitates a dialogue with the SAI leadership instead of being imposed by either the IMF or the executive.
- **Measures taken to implement policies for the effective operation of the supreme audit institutions in accordance with the principles and standards formulated by the International Organization of Supreme Audit Institutions,**
 - with regard to ensuring the proper management of public finances and public property, and
 - in areas such as public procurement;
 - **Measures taken to promote transparency and accountability in the management of public finances, including through a system of accounting and auditing standards and related oversight;**
 - There is a growing global recognition of the central roles of INTOSAI and SAIs in promoting good governance and accountability. The recognition of these roles was prominently shown in the United Nations (UN) General Assembly Resolutions "Promoting the efficiency, accountability, effectiveness and transparency of public

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administration by strengthening supreme audit institutions" (A/66/209) and "Promoting and fostering the efficiency, accountability, effectiveness and transparency of public administration by strengthening supreme audit institutions" (A/69/228).

- The ACA has – as General Secretariat of INTOSAI – been actively engaging with the UN in order to promote this important role of SAIs in various fora. The General Secretariat has also been actively supporting SAIs in contributing to the implementation of the UN Sustainable Development Goals (SDGs). In cooperation with the UN, the ACA has, in its capacity as INTOSAI General Secretariat, also repeatedly stressed the essential contribution, which SAIs can make to the achievement of SDG 16, and in particular of target 16.6, by promoting transparent and accountable institutions (e.g. in the framework of two Side events at the UN High Level Political Forum on Sustainable Development in 2016 and 2018 or on the occasion of the UN conference on SDG 16 in Rome in 2019).
 - With regard to the management of public finances at the national level, the ACA publishes every year the Federal Financial Statements. The format, structure and allocation of operation withholding are based on the International Public Sector Accounting Standards - IPSAS. The Federal Financial Statements are published until June 30 of the following fiscal year. The International Standards of Supreme Audit Institutions (ISSAI) respectively the International Standards on Auditing (ISA) are the basis for auditing the Federal Financial Statements. The publication comprises the Federal Financial Bills as well as annexes and explanations to the Federal Financial Bills, segment reporting (subdivisions) and the report on the financial bills.
 - In addition, the ACA conducts yearly "function tests" with a special focus on processes and internal control systems related to the federal financial statement (e.g. "Internal Control System in the Federal Financial Statement", Bund 2012/10 or the audit reports of the process of tax collection in the Federal Financial Statement 2014).
- **Measures taken to promote examining, periodically or as necessary, the applicable financial and accounting frameworks and procedures, in order to determine their effectiveness in the fight against corruption;**
- Through its audits, the ACA is regularly assessing the effectiveness of financial and accounting frameworks as well as of procedures in the fight against corruption.
 - During emergencies like the COVID-19 pandemic, the risk of corruption increases tremendously, especially in areas with high risk potentials and high levels of expenditure, which are particularly sensitive to corruption. Especially in areas like public procurement that are traditionally sensitive to corruption, the solution must be greater transparency in public procurement and contracting to prevent misuse of resources. It

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is essential that transparency, accountability, openness of information, including open data and integrity are preserved. Therefore, the ACA is more determined than ever to engage in the INTOSAI Working Group for the Fight against Corruption and Money Laundering (WGFACML). Currently, the ACA is finalizing the INTOSAI Guidance for the Audit of Corruption Prevention in Public Procurement. The ACA also pays attention to this issue by conducting audits with an anti-corruption focus.

- **Measures taken to ensure that the audited entities respond to the findings of the audit reports, implement the recommendations of the supreme audit institutions and take appropriate corrective action, including criminal prosecution, to ensure the proper management of public affairs and public property;**
 - In order to strengthen the impact of its recommendations, the ACA queries the audited entities about the state of implementation of all of its recommendations. With regard to selected audits, the ACA additionally carries out a follow-up audit during which auditors are present on site and audit whether the recommendations have been implemented fully, partially or not at all. These follow-up audits are then published as separate reports.
- **Measures taken to involve the supreme audit institutions and the internal audit units in the country reviews under the second cycle of the Mechanism for the Review of Implementation of the United Nations Convention against Corruption, in particular in relation to the review of the implementation of chapter II, on preventive measures, including in the country visits, where applicable;**
 - The ACA was highly involved in the review process under the second cycle of the Mechanism for the Review of Implementation of the UN Convention against Corruption by giving a comprehensive statement for the drafting of the Self-Assessment Checklist of Austria. There were no country visits conducted so far, but the ACA is fully consented and prepared to be involved in that stage in a comprehensive manner as well.
- **Measures taken to promote integrity and honesty through the application of codes of conduct in the supreme audit institutions and in particular measures for aligning these codes of conduct with the Code of Ethics promulgated by the International Organization of Supreme Audit Institutions;**
 - Parallel to the revision of the Austrian Code of Conduct for the public sector, the ACA revised its own Code of Conduct in 2020; the Code was finally adopted in August 2020 by the president of the ACA. This revision was done in accordance with ISSAI 130, the International Standard for Code of Conducts for SAIs.

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- **Measures to increase trust in supreme audit institutions, anti-corruption bodies and governmental and public institutions as a whole;**

- By promoting and ensuring transparent and accountable institutions as well as good governance through its audits, the ACA is constantly contributing to increasing the trust of citizens. Furthermore, the ACA has put a particular focus on the participation and trust of citizens in the sense of “increasing the benefit for citizens” during the last years.
- Since 2018, in the framework of its three-year audit priority on the quality of public-sector service provision, cost optimization and a modern-day delivery of tasks, the ACA has been focusing its audits increasingly on the benefit for citizens. This is also in accordance with international audit standards on performance audits, which aim to create an added value and an improvement in the lives of citizens through auditing. With its audit activities, the ACA contributes to
 - safeguarding and enhancing the citizens’ quality of lives,
 - increasing transparency as regards the use of budgetary funds, and
 - promoting the participation of citizens in the planning, the delivery and the evaluation of public-sector services.
- The benefit created for citizens is therefore also addressed in numerous reports published by the ACA.

- **Measures taken to build and strengthen relations between national legislatures and supreme audit institutions, and to encourage national legislatures to be aware of the findings of supreme audit institutions so that they may be taken into account when exercising parliamentary functions;**

- All of the ACA’s reports on government affairs are submitted to the National Council and to the responsible committees; in general, the Public Accounts Committee is the responsible one. In this Committee, the members of the National Council deliberate on the audit reports. The President and the corresponding auditors take part in the committees and subcommittees.
- After the Public Accounts Committee has dealt with the reports, they are discussed in a plenary session of the National Council, during which the President has the right to take the floor. The audit reports of a particular province are submitted to the respective provincial parliament. The committees and the deliberations on the reports within the provincial parliaments differ from province to province. The audit reports related to municipalities are submitted to the responsible municipal council and to the corresponding province/provincial parliament.

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- **Measures taken to strengthen the national, regional and international coordination and cooperation among the bodies involved in the prevention of and fight against corruption;**
 - The ACA is observer at the coordinating body on Combating Corruption (KzK). The aim of this body is to ensure coordination, efficiency and effectiveness of anti-corruption efforts in Austria. In that capacity, the ACA was also involved in the drafting of the National Anti-Corruption Strategy.
 - The ACA is also a member of the Network of Integrity Officers (NIO). This informal network, implemented by the Federal Bureau of Anti-Corruption (BAK), has the goal to reduce corruption by promoting integrity, especially by creating a platform for knowledge exchange among anti-corruption and integrity experts.
 - In its capacity as the General Secretariat of INTOSAI, the ACA also played a substantial role in the preparation of a Memorandum of Understanding between the UN Office on Drugs and Crime (UNODC) and INTOSAI. The Memorandum was signed in Vienna on 30 July 2019.
- **Measures taken to improve the exchange of information between anti-corruption bodies, supreme audit institutions and other governmental bodies operating in the field of combating corruption, including for consultative purposes;**
 - Besides the information exchange in the course of the NIO that is organized by the Austrian anti-corruption body (BAK), the ACA cooperates with the BAK on a regular base, e.g. on the development of a corruption risk assessment methodology.
- **Measures taken to promote transparency including by publishing findings of both the anticorruption bodies and the supreme audit institutions;**
 - The ACA is publishing all its audit reports with a complete listing of all findings and recommendations on its website. This includes also audit reports with a focus on the aspect of anti-corruption.

The Federal Bureau of Anti-Corruption (BAK) and the Ministry of the Interior (MoI) regularly publish periodic reports such as the:

- **Annual Report by the BAK:** is published annually in German and English on the BAK homepage <https://www.bak.gv.at/en/start.aspx>.

- **Corruption Situation Report:** is prepared every two years and published on the BAK homepage.

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- **Mol Security Report:** is compiled annually and published on the Mol homepage <https://www.bmi.gv.at/>.
- **Mol Compliance Activity Report:** is drawn up annually and published on the Mol homepage.
- **Compliance Activity Report by the BAK:** is prepared every two years and published on the BAK homepage.

Further, there are various BAK public information platforms that keep the public informed about current corruption issues and in this way act both as information and prevention tools.

The BAK homepage provides information on current issues and legislation, innovations in the fight against corruption and current events and publications. On the other hand, the BAK has the opportunity to share relevant content via the Mol's Facebook page. This enables the Bureau to reach a different target group and thus to cover as large a circle of people as possible.

In addition, print media in the form of publications such as the above mentioned BAK Annual Report, the Anti-Corruption Day Publication and event-related, topic-specific information folders and brochures (corruption prevention, compliance advisory services, National Anti-Corruption Strategy, newsletters, etc.) are produced at regular intervals and presented and distributed at various events.

Other active measures relating to public information programmes include the "Code of Conduct to go", a small-format, easy-to-read brochure which is also used as part of basic police training and thus establishes an initial contact with this topic, and the non-electronic "fit4compliance" game", which was designed for pupils and young people and prepares them playfully for various dilemmas in everyday life.

2. Please provide examples of the implementation of those measures, including related court or other cases and available statistics.

In relation to article 9, paragraph 2 and examples of implementation of those measures, States parties may wish to consider including the following:

- Reports prepared by the supreme audit institutions, national legislatures of body or bodies that prevent corruption;
- External reports on the operation of the supreme audit institutions;

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Information requested from States parties in relation to the role of national parliaments and other legislative bodies in preventing and combating corruption in all its forms (resolution 8/14 of the Conference of the States Parties to the United Nations Convention against Corruption)

3. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related time frame) to promote the implementation of resolution 8/14.

In relation to measures/steps that have been taken to promote the implementation of resolution 8/14, States parties may wish to consider including the following:

- Measures taken to support the role and strengthen the capacity of parliaments and other legislative bodies to prevent and combat corruption, including in areas where they have a mandate for review or oversight;
- Measures taken by national parliaments or other legislative bodies to identify and implement any legislative or other measures that may be necessary to implement the Convention and address relevant recommendations emerging from the Mechanism for the Review of Implementation of the United Nations Convention against Corruption;
- Measures taken to strengthen interparliamentary dialogue and cooperation, including in coordination with the Inter-Parliamentary Union and similar organizations, as appropriate, to promote the exchange of good practices relating to legislation, review and oversight controls in the fight against corruption, and measures taken to consider implementing those good practices in domestic law;
- Measures taken to recognize the important role of parliaments and other legislative bodies in strengthening the implementation of the Convention, with a view to effectively preventing and combating corruption in all its forms and preventing money-laundering related to corruption by, inter alia, promoting transparency and accountability in the management of public finances, exercising budget oversight, criminalizing corruption offences and facilitating the asset recovery process, in accordance with chapter V of the Convention;
- Measures taken, in the framework of States parties' preparations for the special session of the General Assembly against corruption, to be held in 2021, to address the strengthening of the role of parliaments and other legislative bodies in preventing and combating corruption in all its forms, while duly respecting the independence of the legislative authorities;
- Any good practices in relation to the role of parliaments and other legislative bodies in preventing and combating corruption.



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4. Please provide examples of the implementation of those measures, including related court or other cases and available statistics.

In relation to examples of implementation of those measures, States parties may wish to consider including the following:

- Reports by national parliaments or other legislative bodies on their efforts to implement the Convention;
- Reports on good practices in relation to the role of national parliaments or other legislative bodies in preventing and combating corruption, either by such legislative bodies or thirdparty observers.

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Collection of information prior to the twelfth meeting of the Working Group – Austrian Contribution

Annex I

Guidance note for the provision of information by States parties for the twelfth session of the Working Group on the Prevention of Corruption, to be held from 14 to 18 June 2021

3. Please describe (cite and summarize) the measures/steps your country has taken, if any, (or is planning to take, together with the related time frame) to promote the implementation of resolution 8/14.

In relation to measures/steps that have been taken to promote the implementation of resolution 8/14, States parties may wish to consider including the following:

- *Measures taken to support the role and strengthen the capacity of parliaments and other legislative bodies to prevent and combat corruption, including in areas where they have a mandate for review or oversight;*

In January 2020, an **investigation committee of the National Council** has been set up to investigate alleged cases of corruption in the Federal Government 2017-2019. The committee began its work in May 2020 after disputes about the scope of the investigation in which the Austrian Constitutional Court decided in favour of a comprehensive approach. The committee is still active and a report (most likely with proposals for further measures to combat corruption) is expected later this year. Already, the proceedings of the committee have led to intensified debates on how to understand and counter corruption in the political realm.

Also, it should be noted that parliament has – through the **Parliamentary Budget Office** – increased its efforts to make public finances more transparent and comprehensible for the public, ie. by making the reports and analysis of the PBO more accessible for general readers and using infographics to help understand complex issues.

Role of parliaments and other legislative bodies in the fight against corruption may be expressed by various means beyond legislation, such as the development of internal procedures for the work of the parliaments and other legislative bodies and the activities of legislators in the public sphere

In June 2020, the compliance counselling desk for MPs suggested to the chairpersons of all parliamentary groups that **internal guidelines** be drafted on how to deal with certain gifts and benefits.



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Such guidelines could regulate the handling of gifts given out of courtesy for reasons of protocol, the attendance of events as well as gratuities and hospitality in the context of events, and the usage of bonus miles for business trip flights.

Following preliminary work in a parliamentary working group, the parliamentary groups agreed on a **code of conduct for members of parliament**, which contains an overview of the applicable laws as well as general rules concerning the conduct of members of parliament. This code of conduct is currently being finalized and is expected to be adopted in the first half of the year.