

## **AT contribution – Austrian Court of Audit and Austrian Bureau of Anti-Corruption – prior to 14th Working Group on the Prevention of Corruption (UNCAC States Parties)**

12. - 16. June 2023, Vienna

### **UNCAC Chapter II Preventive Measures**

#### **Article 9. Public procurement and management of public finances, 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:

[...]

(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”

#### **Contribution from the Austrian Court of Audit**

Measures taken to promote, in accordance with the fundamental principles of the legal systems, the independence of the supreme audit institution;

- External economic and fiscal control is primarily exercised by the Austrian Court of Audit (ACA). The ACA is the Supreme Audit Institution which supports the Parliament in holding government to account and improves public services through high-quality audits. For the exercise of its competences, the Austrian Federal Constitutional Law grants the ACA complete independence.<sup>1</sup> The ACA disposes of its own budget and selection of specialized staff based on the Federal Constitutional Law.
- The tasks, function, organization and mission of the ACA are being defined by Chapter VII of the Federal Constitutional Law. The Court is also committed to complying with the International Standards of Supreme Audit Institutions (ISSAIs). It also takes a leading role in international cooperation – especially in its capacity as the General Secretariat of the International Organization of Supreme Audit Institutions (INTOSAI), as well as in collaborating with the Supreme Audit Institutions (SAIs) of the EU Member States.

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;

- The legal bases for transparency and accountability in the management of public finances are the Federal Budget Law 2013, the Federal Household Regulation 2013 and the Accounting Regulation 2013, which changed the federal accounting system from cameral accounting to double bookkeeping. The duties of the ACA to establish and audit the Federal

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<sup>1</sup> In line with the “Lima Declaration of Guidelines on Auditing Precepts”, II. Independence. The Declaration of Lima, which was adopted by the IX International Congress of INTOSAI in Lima in 1977, is considered as the Magna Charta of government audit and defines the prerequisites for its independent and effective functioning.

Financial Statements are regulated in the Federal Constitutional Law and the Court of Audit Act<sup>2</sup>.

- The Court establishes and audits the Federal Financial Statements. The format, structure and allocation of resources for audits are based on the International Public Sector Accounting Standards - IPSAS<sup>3</sup>. The Federal Financial Statements are published until June 30 of the following fiscal year. The International Standards of Supreme Audit Institutions (ISSAI<sup>4</sup>) respectively the International Standards on Auditing (ISA<sup>5</sup>) 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.
- The ACA is dedicated to audit measures for the implementation of policies in the area of public procurement. For example, the audit report “Compliance in the Field of Procurement and Human Resources in Social Insurance Institutions” (2017) describes measures taken to implement public procurement policies in three social insurance institutions. These lacked systematic compliance management that would take into account special financial and organizational risk factors.<sup>6</sup>

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:

- In addition, the ACA conducts regular audits 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“ (2012), Tax collection in the Federal Financial Statement” (2014) or “IT-supported debt management of the federal government” (2019))<sup>7</sup>. The Federal Financial Statement is debated in the budget committee of the National Parliament and is enacted as a law.
- The development of risk management is an integral part of ACA’s audits which already recommended the establishment of a legal basis for the establishment and implementation of a risk management system in the federal administration (“Risk Management in the Financial Administration” (2014), and the follow-up-audit, (2017)).<sup>8</sup> A broad discussion at

<sup>2</sup> Bundesgesetz über den Rechnungshof (Rechnungshofgesetz 1948 – RHG), BGBl. Nr. I 143/2018.

<sup>3</sup> International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements. IPSAS aims to improve the quality of general-purpose financial reporting by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability.

<sup>4</sup> The International Standards of Supreme Audit Institutions (ISSAI) are a benchmark for auditing public entities.

<sup>5</sup> International Standards on Auditing (ISA) are professional standards for the performance of financial audit of financial information.

<sup>6</sup> Compliance im Vergabe- und Personalbereich in der Sozialversicherung, Reihe BUND 2017/7  
[https://www.rechnungshof.gv.at/rh/home/home\\_2/Compliance\\_in\\_the\\_Field\\_of\\_Procurement\\_and\\_Human\\_Resource.html](https://www.rechnungshof.gv.at/rh/home/home_2/Compliance_in_the_Field_of_Procurement_and_Human_Resource.html)

<sup>7</sup> - Internes Kontrollsystem in der Haushaltsverrechnung des Bundes, Reihe Bund 2012/10

[https://www.parlament.gv.at/dokument/XXIV/III/358/imfname\\_272010.pdf](https://www.parlament.gv.at/dokument/XXIV/III/358/imfname_272010.pdf)

- [https://www.rechnungshof.gv.at/rh/home/home\\_1/home\\_2/Taetigkeitsbericht\\_Bund\\_2014.pdf](https://www.rechnungshof.gv.at/rh/home/home_1/home_2/Taetigkeitsbericht_Bund_2014.pdf)

- Bundesrechnungsabschluss für das Jahr 2019, Funktionsprüfung gemäß § 9 RHG IT-unterstütztes Schuldenmanagement des Bundes

[https://www.rechnungshof.gv.at/rh/home/home\\_1/home\\_9/BRA\\_2019\\_Textteil\\_Band\\_4\\_9\\_IT-unterstuetztes\\_Schuldenmanagem.pdf](https://www.rechnungshof.gv.at/rh/home/home_1/home_9/BRA_2019_Textteil_Band_4_9_IT-unterstuetztes_Schuldenmanagem.pdf)

<sup>8</sup> Risikomanagement in der Finanzverwaltung, Bund 2014/14

[https://www.rechnungshof.gv.at/rh/home/home/Risikomanagement\\_in\\_der\\_Finanzverwaltung.pdf](https://www.rechnungshof.gv.at/rh/home/home/Risikomanagement_in_der_Finanzverwaltung.pdf)

federal level with the focus to establish a legal basis for the establishment and implementation of a risk management system in the federal administration as well as the establishment of a working group on a cross-ministry basis could pave the way to the appropriate legislation.

- ACA's role as independent external auditor is already vitally important. Above all, in 2022 the Parliament agreed on an even stronger mandate for the Court in respect to its independence by strengthening the position of the President of the ACA. According to the recent amendment of the Federal Constitutional Act, the appointment and dismissal of ACA's President requires a two-thirds majority of MPs (National Council), instead of a simple majority to date. This new mechanism will put the President in an even stronger position in the future.
- The ACA disposes of its own budget based on Article 6 Federal Organic Budget Act 2013. It was key that the Court could recently reach a substantial increase of its budget for 2023 for properly fulfilling new tasks.<sup>9</sup>
- The annual budget of the ACA, which is adopted by the National Council, amounted to EUR 37,4 million. in 2022. Due to the additional and new tasks in accordance with the Political Parties' Act and the Federal Law on the Rules of Procedure of the Austrian National Council the budget was substantially increased to EUR 42,2 million. for the year 2023.

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:

- ACA is responsible for auditing the financial management of the federal government, the provinces and the municipalities (with 10.000 inhabitants and above), the municipal associations and other legal entities as foreseen by law (e.g., public bodies, funds, foundations and businesses in which the state holds at least 50 % of shares or over which the state exerts others forms of financial, commercial or organizational control). Hence, the scope of ACA's control activities extends to the whole country. In its audit work the Court assesses the economy, efficiency and effectiveness with which government has spent public money. At the same time, it also examines the correctness of the figures and the compliance with existing regulations.

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:

- The ACA carries out the two-stage inquiry procedure to monitor the implementation of its recommendations. One year after the publication of a report, the ACA asks the audited body about the implementation of the recommendations. In a second step, follow-up audits on selected audit topics are carried out. All public audit reports are made public.

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Risikomanagement in der Finanzverwaltung; Follow-up-Überprüfung, Reihe BUND 2017/27  
[https://www.rechnungshof.gv.at/rh/home/home/home\\_7/Bund\\_Risikomanagement\\_in\\_der\\_Finanzverwaltung\\_Follow\\_up\\_Uebe.pdf](https://www.rechnungshof.gv.at/rh/home/home/home_7/Bund_Risikomanagement_in_der_Finanzverwaltung_Follow_up_Uebe.pdf)

<sup>9</sup> 1. New legislation of the Political Parties' Act which grants ACA genuine audit rights at the premises of political parties in order to increase the transparency of political party financing.  
 2. Increased right of a certain number of MPs to request special audits. From 2023 onwards they will be able to address more audit requests to the ACA, effectively five instead of three audits.

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;

- Targeted public audits on internal control systems, risk management and related matters which have been published by the ACA along the years prove its commitment to effectiveness of internal control and transparency. For the ACA, it was and is therefore a priority to focus its audits on those areas where there is a particularly high risk regarding the effectiveness of internal control and risk management mechanisms for safeguarding public integrity. In this respect, internal control systems and risk management mechanism are essential elements of the audits of the ACA.
- As early as 2016, the ACA published two guidelines for auditing internal control and anti-corruption systems to enhance transparency and proper management of public affairs and prevent corruption. Thanks to its publication, the Guideline supports also the audited bodies as a code of practice in the establishment of Corruption Prevention Systems:
  - “Guideline for Auditing Internal Control Systems”, Leitfaden zur Überprüfung von Internen Kontrollsystemen and
  - “Guideline for Auditing Corruption Prevention Systems (CMS)”, Leitfaden für die Prüfung von Korruptionspräventionssystemen, Reihe 2016/3<sup>10</sup>
- Based on these guidelines, a number of audits were carried out that focused on internal control systems as well as on compliance and anti-corruption issues. The ACA held special audits of Corruption Prevention Systems in line with the “Guideline for Auditing Corruption Prevention Systems (CMS)” with the aim to evaluate instruments and administrative measures for internal control and risk management. For example, the report “Corruption Prevention Systems in selected Federal Ministries (Federal Chancellery, Federal Ministry of Education, Federal Ministry of the Interior and Federal Agriculture Ministry) was already published in 2017, with a follow-up audit published in 2021. These audits have shown that the ministries in the area of compliance are quite active. However, the central element of such a system, the comprehensive risk analysis, is still not institutionalized.
- Please find these and other related reports here:
  - Administrative sponsorship and donations in ministries, Reihe BUND 2021/13, <https://www.rechnungshof.gv.at/rh/home/home/Verwaltungssponsoring.pdf>
  - Internal control system regarding the debt and investment management of the city of Vienna, Reihe WIEN 2020/4, [https://www.rechnungshof.gv.at/rh/home/home/IKS\\_Schulden\\_Veranlagungsmanagement\\_Wien\\_Reihe\\_Wien\\_2020\\_4.pdf](https://www.rechnungshof.gv.at/rh/home/home/IKS_Schulden_Veranlagungsmanagement_Wien_Reihe_Wien_2020_4.pdf)
  - Corruption prevention systems in the cities of Graz, Innsbruck and Salzburg, Reihe SALZBRUG 2020/5, Reihe STEIERMARK 2020/7, Reihe TIROL 2020/3, [https://www.rechnungshof.gv.at/rh/home/home/004.644\\_Korruptionspra\\_vention\\_in\\_ausgew\\_Sta\\_dten\\_2.pdf](https://www.rechnungshof.gv.at/rh/home/home/004.644_Korruptionspra_vention_in_ausgew_Sta_dten_2.pdf)

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[https://www.rechnungshof.gv.at/rh/home/home\\_1/home\\_6/Leitfaden\\_Korruptionsbekaempfung\\_und\\_IKS.pdf](https://www.rechnungshof.gv.at/rh/home/home_1/home_6/Leitfaden_Korruptionsbekaempfung_und_IKS.pdf)

- Financial Target Control System in Health Care, Reihe BUND 2019/47 Reihe BURGENLAND 2019/4 Reihe KÄRNTEN 2019/5 Reihe NIEDERÖSTERREICH 2019/10 Reihe OBERÖSTERREICH 2019/8 Reihe SALZBURG 2019/7 Reihe STEIERMARK 2019/6 Reihe TIROL 2019/6 Reihe VORARLBERG 2019/1 Reihe WIEN 2019/11,  
[https://www.rechnungshof.gv.at/rh/home/news/news/news\\_1/System\\_der\\_Finanzzielsteuerung\\_im\\_Gesundheitswesen\\_Diszipl.html](https://www.rechnungshof.gv.at/rh/home/news/news/news_1/System_der_Finanzzielsteuerung_im_Gesundheitswesen_Diszipl.html)
- Internal Audit and Control Assembly at the Social Insurance Providers for Businesses and for Railways and Mining, Reihe BUND 2019/2,  
[https://www.rechnungshof.gv.at/rh/home/home/Interne\\_Revision\\_SVA\\_VAEB.pdf](https://www.rechnungshof.gv.at/rh/home/home/Interne_Revision_SVA_VAEB.pdf)
- The Austrian Science Fund (FWF) – Internal Control System, Follow-up Audit, Reihe BUND 2018/40, [https://www.rechnungshof.gv.at/rh/home/home/home\\_7/FWF.pdf](https://www.rechnungshof.gv.at/rh/home/home/home_7/FWF.pdf)
- The Internal Control System in Cases of Direct Awards; Follow-up Audit, Reihe BUND 2018/4,  
[https://www.rechnungshof.gv.at/rh/home/home/home\\_7/IKS\\_Direktvergabe\\_Follow-up.pdf](https://www.rechnungshof.gv.at/rh/home/home/home_7/IKS_Direktvergabe_Follow-up.pdf)
- Risk Management in Financial Administration; Follow-up Audit, Reihe BUND 2017/27,  
[https://www.rechnungshof.gv.at/rh/home/home/home\\_7/Bund\\_Risikomanagement\\_in\\_der\\_Finanzverwaltung\\_Follow\\_up\\_Uebe.pdf](https://www.rechnungshof.gv.at/rh/home/home/home_7/Bund_Risikomanagement_in_der_Finanzverwaltung_Follow_up_Uebe.pdf)
- Corruption Prevention Systems in selected Federal Ministries (the Federal Chancellery, the Federal Ministry of Education, the Federal Ministry of the Interior and the Federal Agriculture Ministry)", Reihe Bund 2017/8,  
[https://www.rechnungshof.gv.at/rh/home/home\\_2/Corruption\\_Prevention\\_Systems\\_in\\_Selected\\_Federal\\_Ministr.html](https://www.rechnungshof.gv.at/rh/home/home_2/Corruption_Prevention_Systems_in_Selected_Federal_Ministr.html) and its follow-up in Reihe BUND 2021/10,
- Corruption Prevention Systems in selected Federal Ministries, Follow-up, Reihe Bund 2021/10,  
[https://www.rechnungshof.gv.at/rh/home/home/home\\_7/Korruptionspraeventionssysteme\\_in\\_ausgew\\_BM\\_FuP.pdf](https://www.rechnungshof.gv.at/rh/home/home/home_7/Korruptionspraeventionssysteme_in_ausgew_BM_FuP.pdf)

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;

- The Court gave professional input to the amendment of the federal Code of Conduct „Die Verantwortung liegt bei mir (The Responsibility rests with me)“ for the correct performance of public functions. Special audits of the ACA monitor also the implementation of the requirements of this Code of Conduct.
- As the public institution which exercises, by virtue of law, the highest public auditing function, it is also important that the SAI leads by example in the fight against corruption. ISSAI 130<sup>11</sup>, for example, requires the SAI to have and implement a code of ethics to ensure ethical behavior.
- The principles of independence, objectivity and impartiality are reflected within the Internal Standards such as the Code of Conduct of the ACA, which go beyond common rules as provided by the Federal Employment Regulation to avoid conflicts of interests: e.g. staff

<sup>11</sup> <https://www.issai.org/pronouncements/issai-130-code-of-ethics/>

members are not allowed to engage in the management and administration of enterprises, which are subject to the control of the ACA. Likewise, they must not engage in the management and administration of other profit-making enterprises.

- Furthermore, measures taken to mitigate integrity risks are especially addressed in the ACA's Code of Conduct, which also contains the ACA's core values and their implementation in the daily auditing routines.

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

- The ACA has established a Competence Center for Anti-Corruption, Compliance and Incompatibility Measures, which provides training (on-boarding-phase, basic training, e-learning etc.), regular newsletters, guidance in individual cases as well as general guidelines (via the Intranet) on how to handle integrity risks and possible situations of conflicts of interest.
- As compliance and corruption prevention is a constant focus in the ACA's audit activities, a number of relevant reports have been published also in 2022: For example, the reports on the selection process for members of supervisory boards of state-owned enterprises and on real estate administration by the Austrian Federal Forests have highlighted the need for additional measures in this field.
- Please find these and other related reports here:
  - Register for Lobbying and Interest Representation, Reihe BUND 2019/45  
[https://www.rechnungshof.gv.at/rh/home/home/BUND\\_2019\\_45\\_Lobbying\\_Register.pdf](https://www.rechnungshof.gv.at/rh/home/home/BUND_2019_45_Lobbying_Register.pdf)
  - General Secretariats at the Federal Ministries, Reihe BUND 2021/12,  
[https://www.rechnungshof.gv.at/rh/home/news/Generalsekretaere\\_Zusaetzliches\\_Personal\\_Risiko\\_von\\_Doppelg.html](https://www.rechnungshof.gv.at/rh/home/news/Generalsekretaere_Zusaetzliches_Personal_Risiko_von_Doppelg.html)
  - Administrative sponsorship and donations in ministries, Reihe BUND 2021/13,  
[https://www.rechnungshof.gv.at/rh/home/news/Verwaltungssponsoring\\_und\\_Schenkungen\\_in\\_Ministerien1.html](https://www.rechnungshof.gv.at/rh/home/news/Verwaltungssponsoring_und_Schenkungen_in_Ministerien1.html)
  - Contract awards at the ASFINAG Bau Management GmbH and the ÖBB-Infrastruktur Aktiengesellschaft, Reihe Bund 2022/10,  
[https://www.rechnungshof.gv.at/rh/home/home/2022-10\\_Auftragsvergaben\\_ASFINAG\\_OEBB.pdf](https://www.rechnungshof.gv.at/rh/home/home/2022-10_Auftragsvergaben_ASFINAG_OEBB.pdf)
  - Supervisory Boards: Selection Processes in Ministries, Reihe Bund 2022/11,  
[https://www.rechnungshof.gv.at/rh/home/news/news/aktuelles/Rechnungshof\\_empfiehltransparente\\_Prozesse\\_bei\\_der\\_Pers.html](https://www.rechnungshof.gv.at/rh/home/news/news/aktuelles/Rechnungshof_empfiehltransparente_Prozesse_bei_der_Pers.html)
  - Real estate administration by the Austrian Federal Forests (Österreichische Bundesforste AG), Reihe Bund 2022/38,  
[https://www.rechnungshof.gv.at/rh/home/home/004.973\\_Oesterr\\_Bundesforste.pdf](https://www.rechnungshof.gv.at/rh/home/home/004.973_Oesterr_Bundesforste.pdf)

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;

- The President is politically responsible to the National Council. One of the ACA's overriding goals is to provide effective advice to the National Council and the parliaments of the Länder: After submission and publication, the ACA's reports are dealt with by the respective representative body. The President of the ACA attends meetings held by the Public Accounts Committee and the parliamentary budget committee. She has the right to attend the plenary meetings of the National Council, where she has a right to take the floor.

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 fully assumes its responsibility for reducing corruption and therefore relies upon a multi-pillar and comprehensive approach:
  - (i) Repression of corruption by law enforcement authorities;
  - (ii) Prevention;
  - (iii) Education.
  - (iv) The "fourth pillar" – cooperation at national and international level, e.g., within the INTOSAI Working Group on the Fight against Corruption and Money Laundering – complements the holistic approach.

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;

- The Unit for Compliance and Anti-Corruption acts as contact point within the Austrian Court of Audit to the law enforcement authorities such as the Specialized Public Prosecutor's Office for combatting economic crime and corruption.

Measures taken to promote transparency including by publishing findings of both the anti-corruption bodies and the supreme audit institutions;

- As the ACA publishes all its public audit reports on its website, insight into public decision-making processes is also given to individuals and groups outside the public sector; this also raises public awareness about the danger of corruption. Through this approach, public decision-making processes are to be made more transparent and the participation of the public is to be increased.
- For example, the audit of the "Lobbying and Interest Representation Register" (2019), also emphasized the importance of taking sufficient awareness-raising measures in connection with the instrument of lobbying.

Measures taken to enhance the capacity of supreme audit institutions and develop the skills of their members and staff in preventing and combating corruption, including through training, education and knowledge exchange;

- The ACA has autonomy over recruitment of staff and other HRM decisions (Article 125 of the Federal Constitutional Law). The ACA disposes of its own selection of specialized staff. Applicants for the ACA must have a completed university degree, e.g., in law and / or business law and / or economics and at least three years of practical work experience, preferably in the following areas: Controlling, finance, company auditing, public law etc. After successfully completing the admission procedure, every public auditor has to graduate basic university training as an academic public auditor. This university training is organized in cooperation with the Vienna University of Economics and Business and the regional Courts of Audit.

- Every staff member of the ACA has to graduate in the subject “Prevention of Corruption” within the compulsory basic training on academic level. In addition, individual training and further education opportunities are offered.
- In general, the principles of independence, objectivity and impartiality are reflected within the Internal Standards of the ACA which are beyond common rules as provided by the Federal Employment Law to avoid conflicts of interests, see above.

Measures taken to enhance transparency, accountability and good governance in the management of supreme audit institutions, including with regard to their organization, functioning and decision-making processes;

- By the publication of all public audit reports on ACA’s website, insight into decision processes is also given to individuals and groups outside the public sector and the awareness of the public regarding the danger of corruption is raised. In 2022, roughly one third of its public audits dealt with corruption prevention, legal and general compliance. By this method, decision processes are to be made more transparent and the participation of the public is to be increased. Furthermore, this transparency of the recommendations of the ACA guarantees that the public has in fact access to information.
- The ACA publishes about 80 audit reports per year. Also, the following documents are published:
  - Guidelines (e.g., Guideline for Auditing Corruption Prevention Systems (CMS))
  - Consultation on legislation
  - Income reports
  - Report on the Federal Financial Statements
  - Annual Report on ACA’s activities
  - Progress Reports by other public authorities
- The publication of the audit reports of the Court comprising recommendations for the organization, function and decision-making processes within the public administration enhance transparency.

Measures taken to enable supreme audit institutions to perform their roles in preventing and combating corruption when responding to or recovering from national crises and emergencies, especially with regard to their functions in upholding policies and procedures for the management of public finances and public procurement.

The following public audits related to the COVID-19 pandemic have been published:

- Dealing with the COVID-19 pandemic required the public sector to quickly implement financial aid measures using considerable public funds and involving many organizational units on the federal, regional and local level. Against this background, the public audit “COVID – 19 pandemic - Structure and scope of the financial aid measures”<sup>12</sup> contributed to the transparency of the use of public funds in the context of the COVID-19 pandemic for citizens. This public audit offers a systematic overview of the structure and scope of the financial aid measures by the federal government and the regional states.
- In 2021, the ACA audited the Federal Ministry for Climate Protection, Environment, Energy, Mobility, Innovation and Technology to assess the status of implementation of

<sup>12</sup> COVID–19 – Struktur und Umfang der finanziellen Hilfsmaßnahmen, Reihe BUND 2021/25, Reihe BURGENLAND 2021/4, Reihe KÄRNTEN 2021/2, Reihe NIEDERÖSTERREICH 2021/7, Reihe OBERÖSTERREICH 2021/4, Reihe SALZBURG 2021/3, Reihe STEIERMARK 2021/3, Reihe TIROL 2021/4, Reihe VORARLBERG 2021/3, Reihe WIEN 2021/7 [https://www.rechnungshof.gv.at/rh/home/home/Bund\\_2021\\_5\\_COVID-19\\_Finanzielle\\_Hilfsmassnahmen.pdf](https://www.rechnungshof.gv.at/rh/home/home/Bund_2021_5_COVID-19_Finanzielle_Hilfsmassnahmen.pdf)



recommendations from its preliminary public audit "Federal Transport Infrastructure - Strategies, Planning, Financing " (2018)<sup>13</sup>. In addition, the effects of the COVID-19 pandemic on the high-ranking road network of the "Autobahn and Highway Financing Stock Cooperation" (ASFINAG) were audited.

- The hardship fund (fund established to provide rapid financial assistance to micro-businesses, one-person businesses and independent contractors affected by the pandemic) was audited in the Federal Ministry of Finance and the Federal Ministry for Digitalization and Business Location as well as in the Austrian Chamber of Commerce, which handled this fund.<sup>14</sup> The aim of this public audit was to assess the legal framework and the funding design, funding processing, the quality of the public service under the aspect of benefit to the public and the provision of financial resources.
- In 2021, the public audit „ Health data on coping with the pandemic in the first year of the COVID-19 pandemic“<sup>15</sup> was published. This public audit wants to be understood as “lessons learned” for future crisis management. The public auditors focused on the question of how to react in comparable situations in the future. The aim was to assess the availability, quality and processing of health-related data on the occurrence of the pandemic and for epidemiological control. An improved data situation - for example on the occupancy of hospitals and regular medical care -, the systematic use of all available data and uniform, quality-assured communication can make a significant contribution to combating the pandemic.
- The public audit “Pandemic management of the health authorities in the first year of the COVID-19 pandemic (2022)”<sup>16</sup> concluded that the challenges of crisis management remain unsolved. The audit aimed, on the one hand, at assessing the functionality of the health authority structures, and, on the other hand, at evaluating whether the criteria required for successful operational cooperation between the health authorities in pandemic management were met – such as an up-to-date pandemic plan, functioning coordination and communication as well as clear enforcement regulations.
- The public audit “COVID-19 pandemic family benefits”<sup>17</sup> were an overview of the family benefits that were created in the course of the COVID-19 pandemic and the assessment of the financially most important benefits in terms of the appropriateness of their design and the efficiency of the administration.

<sup>13</sup> Verkehrsinfrastruktur des Bundes – Strategie, Planung, Finanzierung; Follow-up–Überprüfung und COVID–19–Auswirkungen, Reihe BUND 2021/33

[https://www.rechnungshof.gv.at/rh/home/home/home\\_7/Verkehrsinfrastruktur.pdf](https://www.rechnungshof.gv.at/rh/home/home/home_7/Verkehrsinfrastruktur.pdf)

<sup>14</sup> Härtefallfonds – Förderabwicklung, Reihe BUND 2021/29

[https://www.rechnungshof.gv.at/rh/home/home/Bund2021\\_29\\_Haerterfallfonds\\_Foerderabwicklung.pdf](https://www.rechnungshof.gv.at/rh/home/home/Bund2021_29_Haerterfallfonds_Foerderabwicklung.pdf)

<sup>15</sup> Gesundheitsdaten zur Pandemiebekämpfung: Lehren für die Zukunft, Reihe BUND 2021/43, Reihe OBERÖSTERREICH 2021/8, Reihe SALZBURG 2021 [https://www.rechnungshof.gv.at/rh/home/home/2021-43\\_Gesundheitsdaten\\_Pandemiebewaeltigung.pdf](https://www.rechnungshof.gv.at/rh/home/home/2021-43_Gesundheitsdaten_Pandemiebewaeltigung.pdf)

<sup>16</sup> Pandemiemanagement der Gesundheitsbehörden im ersten Jahr der COVID–19–Pandemie, Reihe BUND 2022/18 Reihe KÄRNTEN 2022/3, Reihe NIEDERÖSTERREICH 2022/2, Reihe WIEN 2022/2

[https://www.rechnungshof.gv.at/rh/home/news/news/aktuelles/COVID-19-Pandemie-Herausforderungen\\_des\\_Krisenmanagement.html](https://www.rechnungshof.gv.at/rh/home/news/news/aktuelles/COVID-19-Pandemie-Herausforderungen_des_Krisenmanagement.html)

<sup>17</sup> COVID–19–Familienleistungen, Reihe BUND 2022/35

[https://www.rechnungshof.gv.at/rh/home/home/COVID-19\\_Familienleistungen.pdf](https://www.rechnungshof.gv.at/rh/home/home/COVID-19_Familienleistungen.pdf)

- The ACA also audited the COVID-19 measures related to the area of arts and culture in its report "COVID-19 Measures for Artists, Cultural Workers and Art Mediators"<sup>18</sup> (2022). It remained unclear how many artists and art mediators were reached by the COVID-19 aid measures. This unclarity stems from insufficient data related to the field of arts and culture. The data available to the bodies responsible for the implementation of the measures did not allow for any conclusions about the group of people reached. Room for improvement has also been detected as regards the ex-post control of the subsidies received.
- The public audit "COVID-19 short-time work" (2022)<sup>19</sup> concluded that no concept for a targeted detection of misuse had been established for the hours lost indicated by employers.
- In the public audit "COFAG and Grants to Companies" (2022)<sup>20</sup> the ACA assessed the establishment and the composition of the management and supervisory bodies of the COVID-19 Federal Financing Agency (COFAG). A "considerable potential for overfunding" as regards the subsidies granted by the COVID-19 Federal Financing Agency (COFAG) was identified. The COFAG was established without evaluating alternatives only within a few days and endowed with EUR 19 billion by the Federal Ministry of Finance to settle COVID-19-related financial measures for companies.

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<sup>18</sup> COVID-19-Maßnahmen für Kunstschaffende sowie Kulturvermittlerinnen und -vermittler, Reihe BUND 2022/25, [https://www.rechnungshof.gv.at/rh/home/news/news/aktuelles/Rechnungshof\\_pruefte\\_COVID-19-Massnahmen\\_im\\_Bereich\\_Kunst1.html](https://www.rechnungshof.gv.at/rh/home/news/news/aktuelles/Rechnungshof_pruefte_COVID-19-Massnahmen_im_Bereich_Kunst1.html)

<sup>19</sup> COVID-19-Kurzarbeit, Reihe BUND 2022/7 [https://www.rechnungshof.gv.at/rh/home/news/news/aktuelles/COVID-19-Kurzarbeit-Konzept\\_zur\\_gezielten\\_Aufdeckung\\_von.html](https://www.rechnungshof.gv.at/rh/home/news/news/aktuelles/COVID-19-Kurzarbeit-Konzept_zur_gezielten_Aufdeckung_von.html)

<sup>20</sup> COFAG und Zuschüsse an Unternehmen, Reihe BUND 2022/31 [https://www.rechnungshof.gv.at/rh/home/fragen-medien/fragen-medien\\_3/Dynamic-graph\\_COFAG-en.html](https://www.rechnungshof.gv.at/rh/home/fragen-medien/fragen-medien_3/Dynamic-graph_COFAG-en.html)

### Article 5. Preventive measures, paragraph 3:

“Each State Party shall endeavour to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption.”

### Resolution 9/6, paragraph 6

“[The Conference of the States Parties to the UN Convention against Corruption] Calls upon States parties, in line with article 5 of the Convention, to establish and promote effective practices aimed at the prevention of corruption and to periodically evaluate relevant legal instruments and administrative measures with a view to determining their adequacy for effectively preventing and fighting corruption”

### Contribution from the Austrian Court of Audit

Internal policies, practices, or requirements to periodically evaluate legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption;

- The ACA carries out the two-stage inquiry procedure to monitor the implementation of its recommendations. One year after the publication of a report, the ACA asks the audited body about the implementation of the recommendations. In a second step, follow-up audits on selected audit topics are carried out.

Structures or institutions responsible for evaluating relevant legal instruments and administrative measures with a view to determining their adequacy to prevent and fight corruption;

- In general, public auditing reinforces accountability as it legitimizes the information on which financial and formal accountability relies. Therefore, SAIs like the ACA support public institutions to act in accordance with the principles of accountability and integrity, improve their performance and increase trust of citizens in public institutions. Based on this supreme oversight function, the ACA fosters a conducive environment for good governance. It supports the establishment of effective internal control systems that contribute to the prevention of corruption.
- In the fight against corruption, the ACA relies upon effective preventive measures, standards and procedures. Like in recent years, the ACA is committed to continuing its dedicated tasks with regard to anticorruption, integrity in the public sector and transparency. Currently, it is undertaking a number of audits in this context, both at federal and regional level.
- In 2022, roughly one third of its audits dealt with corruption prevention, legal and general compliance.

Requirements in relation to the frequency of these evaluations.

- For example, the special public audits “Corruption Prevention Systems in selective Federal Ministries” (2016), its follow-up (2021) and “Corruption prevention systems in the cities of Graz, Innsbruck and Salzburg” (2019) aimed to evaluate instruments and administrative measures determining their adequacy to prevent and fight corruption periodically.

### Contribution from the Austrian Bureau of Anti-Corruption

- Austria’s National Anti-Corruption Strategy (NACS) provides the framework for preventing corruption and promoting integrity in the public sector, including law enforcement agencies.

The strategy encompasses integrity promotion and corruption prevention in all areas, from public administration to the corporate sector and civil society.

- As stated in the NACS, the goals set are to be operationalized on a two-year cycle. The COVID-19 pandemic led to a delay in the implementation of the NACS and the actions foreseen in the NACS Action Plan for 2019-2020. Numerous events, workshops, and trainings related to the Integrity Officer Network and educational activities could not be conducted by the Federal Bureau of Anti-Corruption (BAC) as planned due to pandemic-related constraints. In some cases, these were held in virtual or hybrid form or had to be postponed or cancelled.
- The BAC developed an approach to evaluate the operationalization of the individual measures using qualitative and quantitative indicators. The combination of all indicators enables an objective and targeted evaluation of the measures set. The evaluation approach is based on a simple, uniform and standardized procedure and thus leads to a meaningful assessment of the individual measures, but also of the NACS as a whole.
- In developing the approach, the BAC was also guided by international standards, in particular the guidelines for implementing the principles of the OECD Council Recommendation on Integrity in Public Life. Subsequently, the BAC team supported the participating institutions in independently developing the indicators and conducting the evaluation.
- The evaluation is intended to provide the information basis for the further development of the 2022-2023 action plans.
- According to the BAC, the greatest challenge in regularly assessing the efficiency and effectiveness of anti-corruption measures and strategies is the establishment of uniform and verifiable indicators that allow such an assessment. Prior to the introduction of a measure or strategy, the current status would have to be comprehensively surveyed and translated into measurable figures. After the implementation of the measure, the actual state would have to be surveyed again under the same parameters in order to be able to determine the possible effectiveness of the measure.
- The BAC has been working intensively in an OECD working group since 2018 to design measurable integrity indicators as a first step. The Austrian Action Plan for the implementation of the National Anti-Corruption Strategy also represents a further effort by Austria to obtain measurable results on measures taken in this area in the future.

### Article 6. Preventive anti-corruption body or bodies, paragraph 1:

“Each State Party shall, in accordance with the fundamental principles of its legal system, ensure the existence of a body or bodies that prevent corruption...”

### Article 36. Specialized authorities

“Each State Party shall, in accordance with the fundamental principles of its legal system, ensure the existence of a body or bodies or persons specialized in combating corruption through law enforcement. Such body or bodies or persons shall be granted the necessary independence, in accordance with the fundamental principles of the legal system of the State Party, to be able to carry out their functions efficiently and without any undue influence. Such persons or staff of such body or bodies should have the appropriate training and resources to carry out their tasks.”

### Resolution 9/6, paragraphs 5 and 8

“[The Conference of the States Parties to the UNCAC] Also acknowledges that both preventive measures and law enforcement are required to address corruption effectively and that there are interlinkages between preventive and law enforcement approaches that may lead to the increased effectiveness of anti-corruption efforts, and further acknowledges that successes in and lessons learned from one approach may inform the efforts in the other...Requests the Open-ended Intergovernmental Working Group on the Prevention of Corruption to consider including, as topics for discussion at its thirteenth and fourteenth meetings,...the interlinkages between preventive and law enforcement approaches”

### Contribution from the Austrian Court of Audit

Measures taken to establish policies, mechanisms (such as working groups, task forces or other ad hoc coordination groups) and/or standard operating procedures through which bodies mandated to prevent corruption (in accordance with article 6 UNCAC) and law enforcement authorities (including those specialized in combating corruption through law enforcement) share information, evidence or intelligence relevant to corruption prevention, detection and/or investigation;

- The ACA is observer to the national anti-corruption coordination body that coordinates the work between involved bodies to prevent corruption. In this function, it participated in the drafting of the NACS and the action plan that is based on the strategy (see further information above).

Other measures or approaches taken to ensure that successes in and lessons learned from either the preventive or the law enforcement approach to corruption inform efforts in the other.

- Relevant information is transmitted by the ACA to law enforcement authorities such as the Specialized Public Prosecutor’s Office for Combatting Economic Crime and Corruption.

### Contribution from the Austrian Bureau of Anti-Corruption

Measures taken to establish policies, mechanisms (such as working groups, task forces or other ad hoc coordination groups) and/or standard operating procedures through which bodies mandated to prevent corruption (in accordance with article 6 UNCAC) and law enforcement authorities (including

those specialized in combating corruption through law enforcement) share information, evidence or intelligence relevant to corruption prevention, detection and/or investigation;

- Since autumn 2022, the BAC has been working on a model for a strategic analysis, on the basis of which preventive measures for current corruption risks can be derived and developed in the future. In this way, key areas and reporting frequencies are determined, analyzed and presented statistically and graphically - on the one hand regionally and on the other hand according to corruption offenses. Based on this overview, the investigative service can also derive strategic and tactical investigative measures at an early stage. In this way, a daily Plan-Do-Check-Act (PDCA) cycle is to be created, which is intended to significantly reduce response times to corrupt behavior.