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Annual Report 2020

of the Austrian Court of Audit

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PRELIMINARY REMARKS

On 29 December 2020 the Austrian Court of Audit submitted its Annual Report 2020:

pursuant to **Article 126d para. 1 Federal Constitutional Law to the National Council (Federation 2020/48)**
III–213 of the enclosures to the Stenographic Minutes of the National Council XXVII GP

pursuant to **Article 127 para. 6 in conjunction with Article 127 para. 8 Federal Constitutional Law to the**
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Carinthian Parliament (Carinthia 2020/4)
Lower Austrian Parliament (Lower Austria 2020/8)
Salzburg Parliament (Salzburg 2020/8)
Styrian Parliament (Styria 2020/10)
Tyrolean Parliament (Tyrol 2020/5)
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FOREWORD 2020

The Annual Report 2020 shows that 2020 was a very difficult year: the COVID-19 pandemic forced us to leave the paths we had embarked on for the time being. At the beginning of the year, the Austrian Court of Audit (ACA) still presumed that 2020 – the year in which the Federal Constitutional Law celebrated its 100th anniversary – would spark off a substantial debate on the expansion of the ACA's audit remit. In the first quarter of this year, the ACA presented important audit reports on the added value created for citizens – such as the system of old-age care in Austria, the management of the execution of sentences and measures or the digitalization strategy of the Federal Government – in order to contribute to the advancements in these important reform areas. However, these essential matters, which undeniably require action, were overshadowed by the debates on the implementation of the necessary measures to tackle the COVID-19 pandemic.



Also the ACA had to respond to the crisis accordingly: it adapted its audit programme, ensured that entities that had to take urgent action were not unduly burdened, and transitioned – as did other federal offices – mainly to telework during the lockdowns. I therefore thank all staff members of the ACA for contributing to the fact that the ACA's operations continued so smoothly also in this difficult time. Their considerateness, self-responsibility and committed work made this possible.

For the second time already, the ACA's Annual Report contains a considerable improvement of the follow-up survey, which constitutes the first part of the ACA's outcome control mechanism. I invite the readers to inform themselves on the concrete state of implementation of the ACA's recommendations. The qualitative assessment of the unaddressed possibilities for action provides the opportunity to engage in a substantive dialogue on essential matters (such as health care, funding, education, environment and climate).

In conclusion, I would like to thank all members of the National Council and the provincial parliaments who participated in the ACA's feedback survey. I am pleased that you have given the ACA a good report. You can rest assured that the ACA, as an objective and independent audit body, will do everything – in the framework of the resources at its disposal – to provide you, also in the years to come, with important input necessary for strong parliamentary oversight.

Margit Kraker
President of the Austrian Court of Audit



PRIORITIES:

- *Auditing in the shadow of corona*
- *The added value created for citizens*
- *Political Parties Act and audit by the ACA*
- *Stakeholder satisfaction*
- *Old-age care in Austria*
- *Digitalization*
- *Literature*
- *Communication*



1 PRIORITIES 2020

1.1 AUDITING IN THE YEAR OF COVID-19

The global COVID-19 crisis in 2020 confronted also Austria and all public institutions with unprecedented challenges. The crisis affected, and is still affecting, all sectors of society. In this year, the state was called upon to do everything to protect the most important good, our health. In addition to the immediate protective measures, the Federal Government and the provincial governments, together with the National Council and the provincial parliaments, had to adopt measures geared towards supporting the economy and society, which are facing the massive implications of COVID-19.

The National Council adopted two budgets – for 2020 and 2021. Both set the framework for comprehensive policy packages amounting to billions to alleviate the manifold implications of the pandemic. A central instrument in this context was the COVID-19 Crisis Management Fund, for which EUR 28 billion have been allocated in the budget 2020, and further EUR 13 billion in the budget 2021. Currently, also economic research institutes find it difficult to estimate the actual economic development and, in particular, its fiscal effects since these are influenced by numerous external factors (e.g. duration and intensity of lockdowns, international economic developments and regulatory restrictions).

In its Report on the Federal Financial Statements 2020, the ACA will therefore place a particular focus on the financial flows, especially on those stemming from the Crisis Management Fund, in order to assess the regularity and to ensure transparency. Furthermore, the ACA aims to prepare another report on the scope of the financial aid measures taken by the Federal Government and the provinces.

As regards the crisis management in general, the ACA holds the following position: especially in times of crisis, the state must ensure stability, this is beyond dispute – be it with regard to health care and old-age care, the labour market, the economy, the social sector, education or tourism. A rapid crisis management has priority.

Cohesion is vital in a crisis. In times like these, all institutions – and in particular key health, social and educational facilities –, the Federal Government and the provinces as well as all funding and support entities are called upon and must cooperate.

A crisis with such massive implications on the public finances highlights the importance of ensuring that public systems are stable and resilient. In order to provide for sustainable public finances and budgetary stability, provisions must be made when economic conditions are favourable. The ACA underlined this fact time and again in the past.

As outlined in the Report on the Federal Financial Statements 2019, the Federation generated a budgetary surplus for the first time in many years. In 2019, the general government debt decreased to about 70.4% of the GDP. In 2020, however, it is expected to increase to some 84.9%.

In the post-crisis period, the ACA will therefore firmly recall its recommendations to attain sustainable public finances.

In its capacity as the supreme audit body, the ACA performs the tasks assigned to it very responsibly and does its part. Already in spring, for example, it adapted its audit programme for 2020 by including audits of the various COVID-19 crisis management measures. The ACA will focus on such audits also in the upcoming year and will present the corresponding reports to the parliaments and the public.

The ACA regards it as its duty to audit the comprehensive support measures in order to obtain assurance that such funds are used in a needs-based and effective manner. Financial sustainability and the creation of transparency for the citizens take centre stage in the work of the ACA.

During the acute crisis, numerous weaknesses of existing systems became apparent. In the time that follows, it will be necessary to assess what was done right and what could have been done better. This will necessitate a profound, objective analysis and proposals for improvements derived therefrom. How can and how must public institutions as a whole develop further in order to draw the right lessons for new emergency conditions?

In the wake of a pandemic like the current one, which has an impact on all our systems, there must be no taboos. This implies: undertaking reforms – which were partly postponed due to the crisis –, restoring sustainable finances and assuming responsibility for future generations.

The ACA, too, develops further and it closely observes the changing framework conditions: the return to normality has to include new viewpoints. We must be ready to assess existing routines for their legitimacy and necessity. New forms of work will be applied to a greater extent. Digitalization will remain part and parcel of work and leisure. Climate protection and demographic developments require solutions. A sound analysis of the strengths and weaknesses will have to be carried out. We must be ready to compare the benefits gained on the one hand with the renouncement of comforts we have grown accustomed to on the other hand, and, in doing so, find a fair balance. We must examine all systems in Austria for their resilience – from the healthcare system to data security to the prevention of blackouts, in particular as far as critical infrastructure is concerned.

The lessons drawn from the current crisis will feed into all policy areas. The ACA, too, learned from this crisis this year.

As regards comparisons and benchmarks, the ACA will pay much closer attention to the actual implications for Austria. This concerns in particular the highly developed Austrian healthcare system.

The ACA supports a sustainable and sound healthcare system, which can provide high-quality care. In accordance with its audit priority “benefit for citizens and quality of public-sector service provision”, the ACA currently revealed, for example, the deficiencies regarding the prevention and combating of diabetes or the services in need of improvement in dental care. The ACA is of course also aware that quality comes at a cost.

As shown by the crisis, quality in health care requires, in addition to quantitative aspects, a coordinated package of measures, which takes into account the medical staff, the interconnection of the outpatient and inpatient sector, the availability of medicines, modern health insurance services and the optimal interaction between the Federal Government and the provinces, in particular in the event of a pandemic. The availability of health data and gender aspects require a particularly close observation.

In summary, the following should be emphasized from the viewpoint of the ACA: the safeguarding of healthcare services is a public task. With its audits, the ACA aims to contribute to ensuring that the highly developed healthcare system will remain optimally prepared for all future challenges.



August September October November December

1.2 AUDIT PRIORITY “BENEFIT FOR CITIZENS” EXTENDED BY ONE YEAR

For three years, the ACA has been focusing its audits increasingly on the added value created for citizens. In this regard, the ACA assesses in particular how the use of public funds can be optimized for the citizens.

Since 2018, the ACA’s audit priority has therefore been as follows: “quality of public-sector service provision: benefit for citizens, cost optimization and a modern-day delivery of tasks”. Against the backdrop of the COVID-19 crisis, the ACA has extended this audit priority by another year as the quality of public-sector service provision, especially its timeliness and effectiveness, is also central to this crisis.

For the ACA, the public sector creates added value for the citizens if it

- safeguards or enhances the citizens’ quality of life in accordance with the Sustainable Development Goals laid down in the United Nations 2030 Agenda – for example when citizens have access to healthcare services and to other public-sector services, when they can live in a healthy environment and feel safe;
- optimizes the use of budgetary funds and renders such use transparent and effective;
- is able to timely identify and respond to emerging challenges such as climate change, digitalization or demography;

- plans on the long-term and in a forward-looking manner and bases its decisions on evidence and realistic cost-benefit considerations;
- enables the participation of citizens in the planning, provision and evaluation of public services, and
- safeguards confidence in the rule of law and in public administration through high-quality services.

The ACA’s recommendations for an efficient state are one thing, their implementation is another. Often, different players in the Federal Government, the provinces and the municipalities are in charge of putting them into practice. However, as regards matters that concern several levels of government, the interaction between the different players is central. As a supra-regional, national audit body, the ACA is in the position to focus in particular on this aspect of interaction.

The reports published by the ACA in 2020 that add direct value to the citizens' lives cover already a wide array of themes: from education and family to construction projects and transport to security as well as environment and mobility.

- As regards **education**, the education system must, in any case, prioritize the added value created for the pupils. An example of that is the report "Promotion of Reading Skills in Schools" (volumes Federation 2020/3, Lower Austria 2020/1, Salzburg 2020/1). In this report, the ACA provides a comprehensive picture of the situation it encountered with regard to reading skills. Especially in the age of digitalization, reading is, more than ever, a cultural technique that has to be cultivated, and reading literacy is a central skill that is important for the personal and professional development of each and every individual. The ACA, however, gives poor marks for the promotion of reading skills in primary schools and new secondary schools. For years, international and national studies have pointed to the poor reading skills of Austrian pupils. Furthermore, the following at-risk groups have been identified: boys, who have more reading difficulties than girls, children with a migrant background and children whose parents have low education levels. This requires targeted, appropriate and sustainable measures with the aim to increase the group of well-performing readers and to reduce the share of under-performing children.

The competent Federal Ministry of Education, however, failed to establish a comprehensive strategy to enhance reading literacy. On the contrary: many players are involved and school lessons were reduced in the past. Moreover, school libraries are, in part,

still equipped with books based on old spelling rules. Therefore, questions must be raised as to what is being done, whether enough is being done and whether the right thing is being done. According to the ACA's view, the educational system needs structured and coordinated measures to increase the quality of reading education.

An educational policy issue, which many citizens consider to be of particular urgency, was addressed by the ACA in its report "Centralized School-Leaving Examination" (volume Federation 2020/22). The partly high failure rates in the centrally prepared written examination for mathematics constitute one point of criticism. The ACA therefore recommended to the Federal Ministry of Education to analyze the causes and to adopt measures for improvement via the education directorates. Furthermore, the report also addresses the fact that male candidates performed clearly better than female candidates. According to the ACA's recommendation, the Federal Ministry of Education should "carry out a comprehensive examination of the gender gap in mathematics in order to be able to counteract this in the long term with suitable measures within its competence (e.g. education, guaranteeing of gender-fair examinations)".

- The added value created for the citizens is on top of the **family policy agenda**. In its report "Benefits Pursuant to the Childcare Allowance Act" (volume Federation 2020/24), the ACA pointed to the fact that, owing to the options laid down in the law – with regard to the form and duration of the benefits – an optimal, targeted provision of the benefits pursuant to the Childcare Allowance Act required precise knowledge of the complex legal bases. Without help

and advice, the citizens were often overwhelmed. The ACA therefore recommended to the Federal Ministry for Family and the Austrian Health Insurance Fund to take greater account of the considerable need for individual advice on the benefits under the Childcare Allowance Act and to adapt the advice and information offered to the parents more to the needs of the latter.

The social insurance providers were responsible for the settling of childcare allowance. The ACA criticizes that the ministry failed to systematically control the administrative processing. The ministry expected that the average processing time would amount to 28 days, with no waiting times or payment gaps between maternity and childcare allowance. In the exemplary cases examined by the ACA via a risk-oriented approach, the average processing time was at 45 days for domestic cases and 211 days for cross-border cases. Delays were due to waiting times in the case of queries addressed to applicants or to other authorities, but also due to internal processes of the social insurance providers. The ACA recommended to the Austrian Health Insurance Fund to take measures to reduce the processing time. The ministry should collect and analyze corresponding control indicators on a regular basis.

- Also in public **transport** the citizens' interest shall be put in the foreground. As shown in the report "Modernization of the Vienna U4 Underground Line" (Vienna 2020/3), the reliability, namely the punctual running of the underground, for the passengers could be increased only to a limited extent. Yet, the aim of the city of Vienna was to increase the reliability, the "constancy of intervals" and the operational safety via a "large-scale"

modernization of the U4 underground line. In fact, 51% of the cases of downtime on the U4 line were attributable to the subway cars, only 14% to the infrastructure. The modernization of the infrastructure will therefore contribute to increasing the reliability of the U4 line only to a limited extent. Until the end of the project in 2024, just under EUR 400 million are to be invested in the modernization of the U4 line. Only 15% of these forecast costs concern measures that are directly perceivable by the passengers, such as the renovation and the renewal of stations, platforms, escalators and staircases as well as the installation of video surveillance.

Another transport project audited by the ACA is the "Traunseetram" – the connection of the tramway Gmunden with the local train Gmunden-Vorchdorf (volume Federation 2020/34, Upper Austria 2020/5). With the Traunseetram, the provision of public transport facilities in Gmunden could be increased by one third in 2018. However, the number of passengers who, based on a forecast, would select the tramway as a means of transport should have been considered as too low. In the period from October 2018 to September 2019, an average of some 2,260 passengers used the Traunseetram per working day. The actual number of passengers therefore remained below the expectations. In 2010 it had been assumed that 2,730 passengers would use the new transport connection. The figures are therefore well below the capacity of tramway systems, which can carry 20,000 to 100,000 passengers per day.

Alternatives to the Traunseetram, such as bus concepts, had not been examined.

The low number of passengers expected already during the planning phase and the comparison of bus and tramway systems with regard to their efficiency should have prompted such an examination. According to the ACA's calculations, an overall volume of some EUR 169.07 million is to be expected for the realization and operation of the Traunseetram for the period under consideration of 2003 to 2030. Of this sum, EUR 78.94 million were incurred in the years of construction (2003 to 2018), whereas the Federation assumed some 20% of the costs. The lion's share (some 62%) had to be borne by the province of Upper Austria. The city of Gmunden took over 10% of the costs. The remaining 8% were funded by the private business group and from receipts from fares.

In the framework of its audit of the "Verkehrsauskunft Österreich VAO GmbH" (volume Federation 2020/25), the ACA looked at the same-named route planner "Verkehrsauskunft Österreich", its user friendliness and the customer satisfaction. The route planner covers public transport, such as trains and busses, and private transport, such as cars and bicycles, as well as walkways. The Verkehrsauskunft Österreich adapted its route planner continuously, and thereby improved its functionality. However, it failed to carry out surveys on customer satisfaction to respond to the needs of the end customers.

In Austria, several route planners and ticket distribution systems offered routing services and ticket sales. In addition to private providers, there were six other systems in which the public sector was financially involved. The Verkehrsauskunft Österreich, the ticket shop of the Austrian Public Rail-

ways (ÖBB) and the "wegfinder" (route finder) application were developed almost simultaneously. The Verkehrsauskunft Österreich and the ÖBB ticket shop used the same basic software and commissioned the same IT company for the routing. Moreover, the two projects "Buchungsmaschine Tirol" (booking application Tyrol) and "ÖV 2022" pursue the same goal of establishing a countrywide booking platform for public transport. However, no strategic decision had been made as to whether or how the Verkehrsauskunft Österreich should be connected with the ÖBB ticket shop or the projects "Buchungsmaschine Tirol" and "ÖV 2022". In any case, considerable costs were incurred for the development of the different route planners and ticket distribution systems. In the project phase, the Verkehrsauskunft Österreich cost EUR 16.47 million, the expenditure for the "Buchungsmaschine Tirol" amounted to about EUR 6 million, and for the project "ÖV 2022" some EUR 1 million were budgeted in the first year.

An entirely different transport policy issue was addressed by the ACA in its report "Drones in Civil Aviation" (volume Federation 2020/2). In the recent years, drones have seen a growing popularity. Most of the drones are equipped with photo and video cameras. The images taken with the drones always infringed the recorded persons' fundamental rights to data protection. The ACA critically noted the limited possibilities to intervene in order to take action against data protection violations caused by the operation of drones. For the members of the Austrian Data Protection Authority it was virtually impossible to be on site in order to detect any violations immediately. The ACA therefore recommended to the Federal Ministry of Justice to amend the

Data Protection Act in order to enshrine in legislation the possibility of police forces to intervene in cases of administrative offences related to data protection caused by drone flights.

Austria's airports have no effective means of defence against drones. In the audited period of 2013 to 2017, the airports could only resort to counter-drone devices of the Federal Ministry of the Interior in the case of an emergency. They, however, had to be transported to the airport first and would have therefore been only deployable with a delay. Airports are particularly at risk as aircrafts move below 150 metres during take-off and landing. This is the maximum flight altitude allowed for drones. Aircrafts can be forced to undertake flight manoeuvres, for example to prevent a collision with a drone. Due to the substantial risk of causing injury to persons and damage to property, the ACA recommended to the Federal Ministry of the Interior to make available, for the largest airports, at least one counter-drone system on site.

- Citizens attach great importance to the topic of **security**; the ACA addressed this matter most currently in its report "Management and Coordination of the Execution of Sentences and Measures" (volume Federation 2020/10). In the aftermath of the terror attack in early November 2020 in Vienna, issues related to the radicalization of prison inmates have increasingly become the centre of discussions. In its report, the ACA critically noted that no evaluation had been taken yet with regard to the effectiveness of the measures adopted in the framework of the prevention of extremism and deradicalization. It therefore recommended to regularly assess the effectiveness and appropri-

ateness of the measures taken in prisons to prevent extremism and to promote deradicalization, and, if need be, to adapt them.

- A healthy **environment** is another essential issue for citizens. Consequently, the ACA has included a number of audits on environmental issues in its audit programme, also with regard to the achievement of the goals of the Paris Agreement. Closely linked to the topic of environment is mobility. The use of electric cars is a central measure to decarbonize transport; they are to reduce the burden on the climate and environment created by transport and decrease the dependence on fossil fuels. However, in the framework of its audit of "E-Mobility" (volume Federation 2020/28), the ACA noted that all programmes, plans and strategies failed to define which concrete contribution should be made to the achievement of the climate protection goals via the promotion of e-mobility. At the same time, indicators and key data determining to which extent e-mobility was to be subsidized were lacking.

By 2020, Austria planned to have 250,000 registered double-track e-vehicles. However, the ACA's report shows that the ambitious goal was far from being reached: by end-2019, some 40,200 double-track e-vehicles had been registered. This equals a share of 0.18% of all registered two-track vehicles. E-mobility would become more appealing and the quality of the electric charging service would increase if the users needed only one single customer card or could use direct cashless payment. In February 2018, more than 400 charging stations were in operation. Via a roaming platform, the customers can re-charge at any given station. However, the operators are not

obliged to enable users to charge their e-vehicles with the customer card issued by operator A at a charging station of operator B. Moreover, this is not authorized by all operators. In such a case, the customers have to register before being able to use an electric charging station of a new operator. As recommended by the ACA, the operators of public charging stations should therefore implement a user-friendly identification and payment system.

- Low income, high energy costs and living in buildings with a poor building fabric and old heaters are the main reasons for a restricted access to **energy** supply. The audit report on the “Energy Industry Measures Against Energy Poverty” (volumes Federation 2020/23, Styria 2020/5, Upper Austria 2020/3, Vienna 2020/6) presents the measures to counteract energy poverty in Austria. Energy poverty indicates the inability to afford sufficient energy supply via heating and electricity. Austria has already taken some steps to reduce energy poverty: for example, it provided emergency aid in the form of basic energy supply or the partial protection from energy supply disconnections. However, the majority of the measures benefited – in the spirit of consumer protection – all customers and were not specifically tailored to vulnerable persons and those affected by energy poverty. Moreover, no findings on the effectiveness of the measures were available. The question, for example, of why the right to basic provision was hardly made use of remained open. Therefore, the energy law measures taken so far to support vulnerable persons and to reduce energy poverty should be evaluated with regard to their effectiveness and appropriateness.

The ACA also audited selected energy companies in Graz (Styria), Wels (Upper Austria) and Vienna. The municipal energy suppliers engaged in voluntary actions to fight energy poverty. Such actions ranged from one-off financial aid to longer-term support provided to the affected persons. The measures also included collaborations with municipal social facilities and non-governmental organizations because the direct contact with the energy supplier often poses a hurdle for low-income households. The energy companies, however, should obtain information on the measures taken to eradicate energy poverty from their cooperation partners in order to gain valuable insights on their effectiveness and sustainability as well as on possible improvements.

In its report “Coordination of Quality Labels for Food Products” (volumes Federation 2020/9, Lower Austria 2020/3, Upper Austria 2020/2), the ACA critically points to the lack of transparency and an insufficient strategy against a possible deception and misleading of consumers. More than 100 quality labels are used in the food sector. However, only few of them are based on laws or ordinances. The AMA Marketing GesmbH, for example, developed the AMA seal of quality and the AMA organic label. The other labels are mostly voluntary seals governed by private law.

For consumers, it is impossible, or would involve a disproportionate effort, to trace under which conditions the labels are awarded and by whom they are controlled. Mandatory minimum requirements for privately initiated quality labels have not been established.

However, in the interest of consumer protection and for official food controls, such requirements would be an important basis. Furthermore, control standards for food packaging, which should counteract the deception and misleading of consumers, were lacking. The ACA therefore recommended to define minimum requirements for quality labels. Control bodies should follow standards when they assess the presentation of food products with regard to misleading information and their likelihood to deceive the public.

- In its report “Gender Aspects in Income Tax Law with a Focus on Earnings Tax” (volume Federation 2017/52), the ACA outlined in a comprehensive manner that fiscal measures alone do not suffice to fully attain the **equality** objective. The gender pay gap is the percentage difference between the median gross hourly earnings of men and women. In 2018, this figure was at 19.6% in Austria. In other words, the wages of women were lower by almost one-fifth than those of men, making Austria the state with the fifth largest percentage rate among all EU member states. The share of women with low-paid jobs was consequently almost three times higher than the share of men with low-paid jobs. The overview highlighted that there was a need for action to remove gender-specific differences in the Austrian labour market.

However, in the framework of its recent follow-up audit regarding “Gender Aspects in Income Tax Law with a Focus on Earnings Tax” (volume Federation 2020/33), the ACA found that the central recommendation – to establish an equality strategy across all ministries and levels of government – had not been implemented. After all, there are many factors outside the ministry’s sphere of influence, such as the concentration of women in the low-paid sector, the high gender pay gap, the availability of childcare facilities and opposing incentives in other areas.

1.3 POLITICAL PARTIES ACT AND AUDIT BY THE ACA

One of the ACA’s special tasks received extensive media coverage due to the “Ibiza video”: the ACA’s assignments pursuant to the Political Parties Act (Parteiengesetz) with regard to political party financing.

Again and again, the ACA called for a reform of the Political Parties Act. Already in 2015, it had highlighted that its role is largely limited to the receipt, formal examination and publication of the information contained in the accountability reports, therefore not comprising any genuine audit rights. Consequently, a significant objective of the Political Parties Act 2012, namely to establish full transparency with regard to the financing of parties and their oversight, was not achieved.

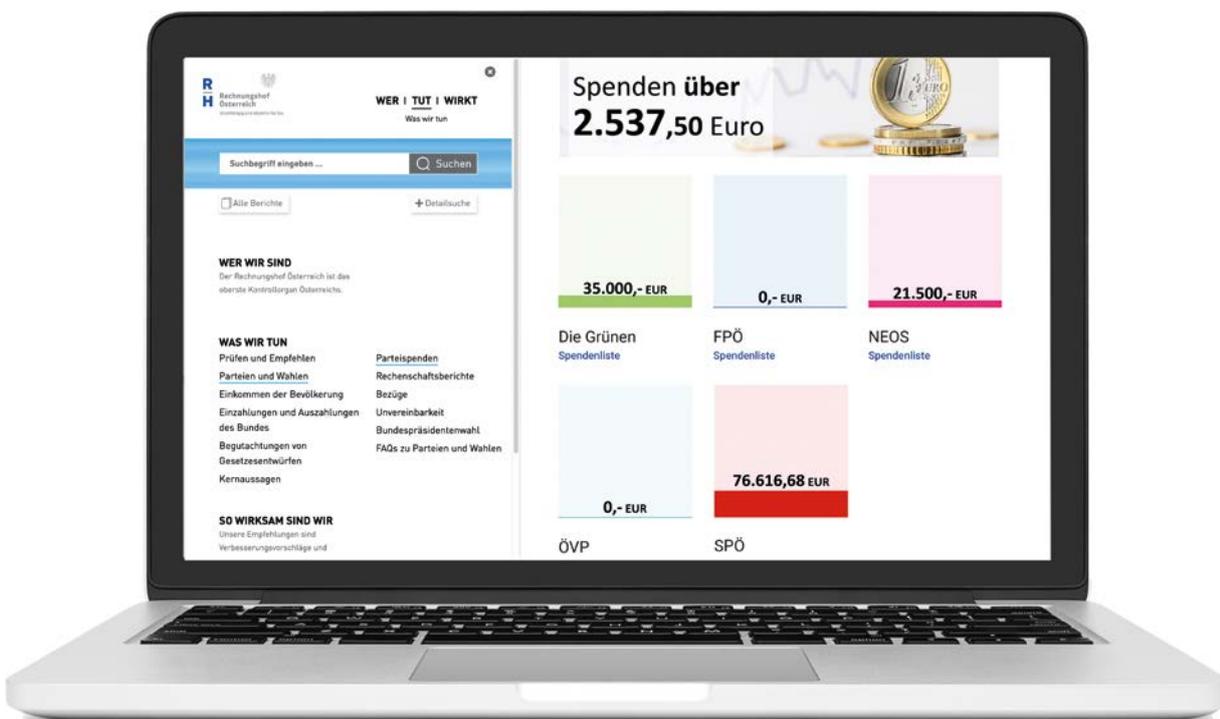
In July 2019, the National Council adopted an amendment to the Political Parties Act. The central points concerned the prohibition of large donations and the tightening of fines in

the event that the upper limit for election campaign expenses is exceeded. The amendment did not provide for a more in-depth audit by the ACA.

However, the administrative tasks of the ACA were expanded. An immediate obligation to report donations over EUR 2,500 (over EUR 2,537.50 as of 1 January 2020) and their immediate publication, indicating the donor’s name, on the ACA’s website have been introduced.

In 2020, three parties reported a total of 20 donations (as at 15 December 2020):

In addition, the ACA has to take over donations that are impermissible according to the Political Parties Act. Such donations shall be forwarded to the ACA by the respective political party. The ACA, in turn, has to safekeep such donations and pass them on to charitable or scientific institutions.



In 2020, due to the surpassing of the donation limit of EUR 7,500 per donor per calendar year (EUR 7,612.50 as of 1 January 2020), the ACA received two impermissible donations from the Social Democratic Party of Austria (SPÖ), which amounted to EUR 2,387.50 and EUR 22,521.28. Furthermore, the Austrian Freedom Party (FPÖ) transferred an impermissible monetary donation of EUR 250 to the ACA.

The amendment to the Political Parties Act also provided for the disclosure of the revenue and expenditure of personal committees in the period of 1 January 2017 to 1 July 2019 to the ACA by 1 January 2020.

In order to increase the transparency of political party financing, the ACA calls for genuine audit rights, the concrete definition of the permitted designated use of public funding of political parties, the detailed disclosure of such funding in the accountability reports, the obligatory documentation of the – clearly defined – election campaign expenses, an obligatory list of affiliated organizations and their evaluation with regard to their de facto affiliation to the party as well as prohibitions of advertisements and sponsorship analogous to the provisions regarding political party donations.

The current Government Programme 2020-2024 envisages the strengthening of the ACA's audit rights. President Kraker welcomed these plans: their implementation would meet important demands of the ACA. "If desired, the ACA will gladly make an active contribution," said the president, as quoted by her spokesman on Twitter after a work meeting with the Vice Chancellor, the Federal Minister for Justice and the Head of the Parliamentary Group of the Greens in July 2020. More audit rights for the ACA equal more transparency in the interest of the taxpayers.

Also the Government Programme of the new Vienna City Government refers indirectly to the extension of the ACA's audit rights. With a view to promoting transparency, the ACA thus hopes that a broad alliance can be formed in the National Council.

Another special task, which is resource intensive for the ACA, is the survey regarding legal transactions with companies in which political parties or other organizations affiliated to them hold at least 5% directly or 10% indirectly. The ACA surveys all legal entities (around 6,000) that are subject to its audits whether such transactions with affiliated companies had been carried out and, if yes, to which amount.

REPORTS SUBMITTED BY PERSONAL COMMITTEES

Party	Designation of the personal committee	Revenue in EUR	Expenditure in EUR
Social Democratic Party of Austria (SPÖ)	Peter Kaiser Personenkomitee	115,896.38	115,896.38
Austrian People's Party (ÖVP)	Initiative Karas für Europa	7,818.30	7,818.30
Austrian People's Party (ÖVP)	Rot-Weiß-Rot in Europa	90,125.62	111,922.30
The Greens – The Green Alternative	KoglerKomitee.eu	No indication	No indication

This information is, similar to the accountability reports of the political parties, published on the ACA’s website. For 2018, 474 legal entities reported transactions with 72 of overall 81 companies affiliated to political parties.

PUBLICATION OF THE ACCOUNTABILITY REPORTS 2018

In 2020, based on the provisions of the Political Parties Act, the ACA carried out the stipulated formal examination of the eight accountability reports that had been submitted by the political parties – including all parties represented in the National Council – concerning 2018.

This formal examination contained, among others, checks with regard to possible impermissible donations and the verification of the correctness of the list of affiliated companies. Furthermore, the ACA asks the parties for comments if the accountability reports raised questions or in the case of indications – e.g. in the form of publicly available information – that information provided in the accountability report might be incomplete or incorrect.

The ACA had to address such requests for comments to all parties. After the formal examination, it published the accountability reports on its website. The examination of the Freedom Party’s accountability report is still ongoing because of the scope of matters to be clarified.

Due to existing and assumed violations of the Political Parties Act, the ACA submitted notifications to the Independent Political Parties Transparency Panel regarding the 2018 accountability reports of the Austrian People’s Party (ÖVP) and the Social Democratic Party of Austria (SPÖ):

Notifications regarding the ÖVP’s accountability report concerned two impermissible donations by the ÖVP’s provincial parliament group in Salzburg for the provincial parliament elections in April 2018 of some EUR 3,300 and some EUR 2,000 as well as a non-market-compatible low rent of a plot of land at Lake Mondsee in Upper Austria by the Young Austrian People’s Party (Junge ÖVP) of Upper Austria, which is also to be considered as an impermissible donation.



Notifications regarding the SPÖ's accountability report concerned the donations made by the "Peter Kaiser Personenkomitee", which had not been disclosed, as well as the non-reporting of a loan by a wholly-owned subsidiary of the SPÖ Salzburg, and a non-market-compatible low rent of a plot of land at Lake Attersee in Upper Austria by the association "Social Democratic Party of Austria – Socialist Youth" ("Sozialdemokratische Partei Österreichs – Sozialistische Jugend").

As regards the notifications on the SPÖ, the Independent Political Parties Transparency Panel had already taken a decision; it imposed fines totalling EUR 149,000. The decision of the Independent Political Parties Transparency Panel regarding the ÖVP was still pending by the cut-off date of mid-December 2020.

As each political party had to submit the accountability report, including the lists of donations, sponsorship agreements, advertisements and affiliated companies, to the ACA by 30 September of the following year, the following four parties presented their accountability report by the cut-off date of 30 September 2020:

- Bürgerforum Tirol – Liste Fritz
- The Greens – The Green Alternative
- Volt Österreich
- NEOS – Das Neue Österreich und Liberales Forum (NEOS – The New Austria and Liberal Forum)

Upon a justified request of the political party, the ACA can extend the deadline for the submission of the accountability report by up to four weeks. The SPÖ, FPÖ and ÖVP had requested such an extension, which was granted by the ACA to the parties. The SPÖ submitted the 2019 accountability report on 19 October 2020, the FPÖ sent their report on 29 October 2020, and on 22 December 2020 the ACA received the 2019 accountability report by the ÖVP. The party "Jetzt – Liste Pilz" failed to submit its 2019 accountability report by the cut-off date of mid-December 2020.

Furthermore, the Public Accounts Committee of the National Council discussed the ACA's report on the political parties' education institutions in November 2020. In the course of this audit, the ACA found that many of the recommendations published in its preceding report of 2014, which had called for clarifying provisions in the Journalism Subsidy Act (Publizistikförderungsgesetz), had not been implemented. The ACA recalled that there was no reporting obligation for political parties that were no longer represented in the National Council. Furthermore, the Journalism Subsidy Act failed to regulate what should be done with unused funds granted to the education institutions of parties that were no longer represented in the National Council. With regard to this matter, the ACA also suggested to grant the Federal Chancellery, which is responsible for the execution of the Journalism Subsidy Act and for the granting of the funds, the right to control.

1.4 STAKEHOLDER SATISFACTION SURVEY

The ACA's strategy is to meet its own demands with regard to efficiency and effectiveness, and it continues to develop this strategy by taking into account current trends. In this spirit, it always aims to improve the quality of its services and to provide them in a needs-oriented and effective manner.

In 2017, the ACA defined an outcome indicator, which foresees – for every third year – a survey among all members of the National Council and the provincial parliaments (MPs) in Austria. In this way, the ACA also receives external feedback on its performance. The ACA uses the result of this survey to measure, among others, the attainment of its outcome target “providing effective audit-based advice to the National Council, the provincial parliaments and the audited entities”. For 2020, the ACA set a very ambitious target value: 90% of the survey participants should be either very or rather satisfied with its advisory services, the topicality of its selected themes and the understandability of its reports.

In November/December 2020, an external company, the market and opinion research institute OGM, carried out the survey on behalf of the ACA. The result now available to the ACA is based on a total of 163 submitted ratings (which means that about a quarter of all MPs participated in the survey).

As regards the “overall opinion on the ACA”, the results revealed a reassuring picture: 97% of the respondents have a very or rather positive opinion on the ACA.

The survey contained a total of 29 questions, of which, in addition to those addressing the overall opinion on the ACA, four referred in particular to the ACA's outcome target (see table below):

Question	Result (in %) ¹			
	Highly positive/satisfied	Rather positive/satisfied	Rather not or not at all positive/satisfied	Overall opinion/satisfaction
Overall opinion on the ACA	55	42	3	97
Advisory services rendered by the ACA in general	36	44	7	80
Topicality of the themes audited by the ACA	20	65	15	85
Readability and understandability of the ACA's reports	44	42	14	86
The ACA's selection of the audited themes	18	74	5	92
			Average	88

¹ Rest to 100 per cent: “Other”, “Don't know”, “No opinion”.

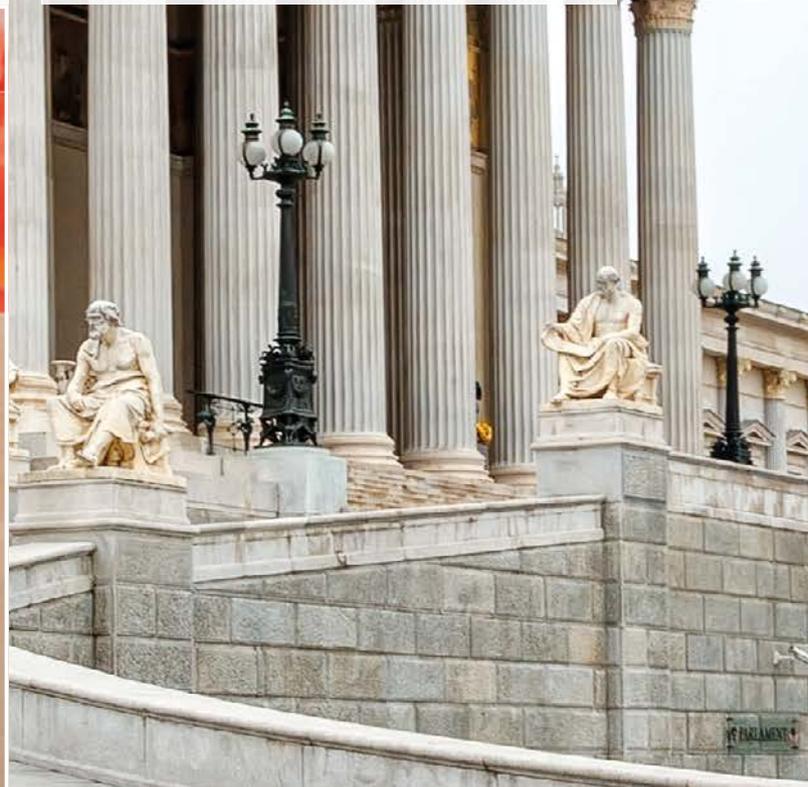
This results in an average value of 88% as regards stakeholder satisfaction with the ACA. The ACA thanks for the high approval rates for its work and continues to adhere to its ambitious targets.

92% of the respondents indicated that they were very or rather satisfied with the added value of the ACA's reports and recommendations for the parliamentary work. 95% perceived the ACA's reports as correct, complete and objective.

A good third of the respondents added comments on the ACA's work at the end of the survey, which contained much praise for the ACA. The ACA is particularly grateful for the constructive comments and the concrete proposals for improvement.

The feedback to which the ACA will pay particular attention in the future concerned especially the topicality of themes, the practicability of recommendations as well as the timeliness of the publication of the ACA's reports and their discussion in the respective general representative bodies. In the comments the respondents also suggested shorter reports with more graphic presentations. Several respondents highlighted the added value of comparative cross-cutting audits.

The direct feedback of the MPs in the framework of the survey provides a valuable basis for the ACA. The findings from the feedback given by the MPs make an important contribution to achieving the ACA's aim to provide effective advice for the general representative bodies and the audited entities.



1.5 OLD-AGE CARE IN AUSTRIA

The organization and financing of old-age care pose some of the greatest challenges to our society. Also the current Government Programme 2020-2024 contains a comprehensive chapter on old-age care and announces a reform of the provision of care services.

In the past years, the ACA repeatedly addressed the topic of old-age care and pointed to the fact that the different competences – the Federation governs care allowance, the provinces are in charge of in-kind allowances – rendered the management of the services difficult. The thus recommended simplification of competences and enhanced central management were partly implemented by the legislators on the federal and provincial level.

In 2018, the ACA audited the system of old-age care on the federal and provincial level. With its report “Old-Age Care in Austria” (volume Federation 2020/8), it provided a comprehensive and nationwide analysis of old-age care services. In this context, the ACA focused in particular on the allocation of competences, the financing and the abolishment of the recourse to the assets of persons in residential long-term care (“Pflegereregress”), the demand and development planning, the tariffs, the staff and quality as well as the mobile services. In line with the audit priority defined by the ACA for the period 2018-2021 regarding the added value created for citizens, the ACA also assessed this matter from the viewpoint of those in need of care.

THE STATUS QUO

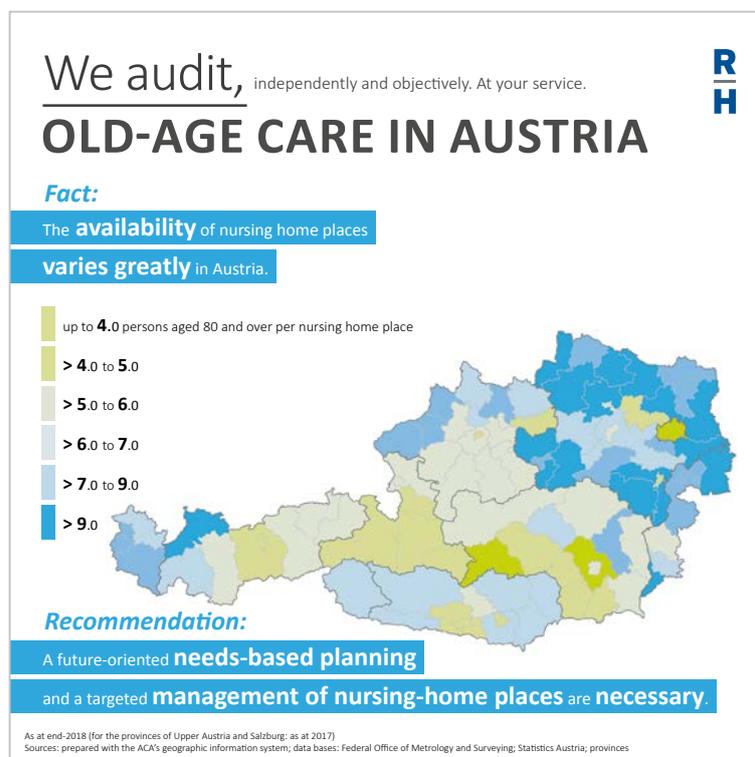
According to a forecast of Statistics Austria, the age composition of the Austrian population will change: the share of persons aged 80 and over, who are often in need of care, would consequently rise from about 5% in 2015 (about 0.43 million persons) to some 12% in 2060 (some 1.10 million persons). Due to the demographic developments, a substantial increase in the need for nursing home places and mobile services was forecast for the medium term. Consequently, the ACA considered it vital to take timely planning measures in this regard in order to be able to provide good care for the elderly in need. Based on coordinated demand and development plans, the Federation and the provinces should therefore establish a national, coordinated demand forecast for old-age care services. Building on such a forecast, they should subsequently devise an overall strategy for the further development of old-age care services.

ALLOCATION OF TASKS IN THE PROVINCES

As regards their management responsibilities and the provision of services, the provinces distributed the respective tasks among several legal entities (provinces, funds, social welfare associations, municipalities, private providers). While in Salzburg, Tyrol and Vorarlberg residential care was largely carried out by municipal institutions, in Carinthia, Upper Austria and Styria such care was the responsibility of the social welfare associations. In Carinthia, the social welfare associations acted mainly as residential care providers, in Styria they were largely responsible for the accounts, and in Upper Austria they were also involved in planning and management. As regards Burgenland, Vienna and Lower Austria, the provinces

carried out the vast majority of tasks, although the provinces of Vienna and Lower Austria also acted as important providers of services. Against this background, the ACA was of the opinion that the strategic management between the Federation and the provinces

should be complemented by an operative management on the provincial level. The individual control elements such as tariffs, supervision or processes would have to be coordinated and adapted to the respective framework conditions.



DATA BASES

Austria was lacking statistical data regarding the overall expenditure for old-age care. Data on private expenses for informal (private) care and nursing was only available from estimates of various studies from 2002, which had been used to extrapolate the trend. Data on the expenses and investments made by private individuals or information on the use of old-age care funds were not available. Based on the statistics on old-age care services, additional information by the provinces and estimates by Statistics Austria and the Austrian Institute of

Economic Research, the ACA calculated the overall costs for old-age care. For 2016, such costs had amounted to some EUR 7.9 billion. About EUR 2.9 billion had been borne by the Federation, some EUR 2.1 billion by the provinces and municipalities and some EUR 2.9 billion by private individuals. These funds could be attributed to services accounting for some EUR 3.4 billion for nursing homes, some EUR 3.1 billion for care services performed by individual family members, some EUR 0.7 billion for mobile services and some EUR 0.6 billion

for 24-hour care (use of funds). Due to the considerable financial importance and the demographic development, the ACA considered a statistical recording of the overall expenditure incurred for old-age care and the origin of funds as necessary.

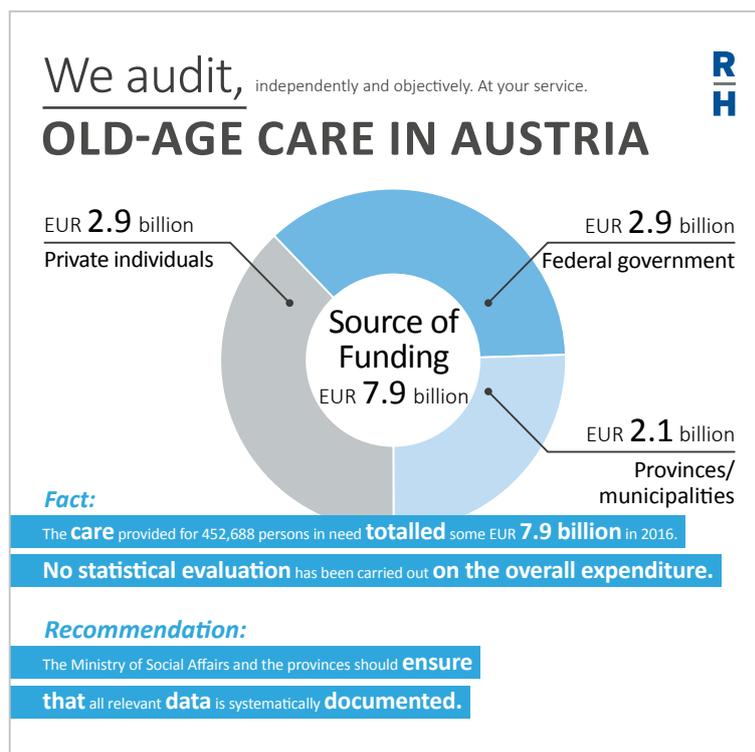
FINANCING

In essence, old-age care was financed via five instruments:

- The Federation granted care allowance to those in need of old-age care to finance informal or formal care services.
- In the case of 24-hour care, those in need received subsidies by the Social Ministry Service if they met the requirements. Such subsidies were funded by the Federal Government and the provinces at a ratio of 60 to 40.

- As regards mobile services, the provinces granted subsidies.
- In the case of residential care, the provinces, in their capacity as providers of social aid and minimum social protection benefits, bore – co-financed by the municipalities – the contributions that could not be paid by those in need themselves.
- Through the general financial equalization scheme as well as from the old-age care fund, and, since 2018, as a compensation for the former possibility to have recourse to the assets of persons in residential long-term care, the Federal Government has provided funds to the provinces to finance old-age care services.

Until 2018, those in need of old-age care had to make use of their assets to finance residential care. However, the regulations deviated in



the case of allowances and the transfer of assets. In summer 2017, the federal legislator abolished the recourse to personal assets without providing for any transitional provisions. The provinces therefore took different approaches, which resulted in unequal treatments of those in need.

The costs of the abolition of the recourse to personal assets and their financing remained unclear. The system regarding the financing of old-age care lacked important information, such as on the interfaces between old-age care and health care and on investments. The responsibility for the overall costs of care and the origin and use of the corresponding funds was neither clearly allocated nor had any clear management strategies been defined for integrating those in need of care in the financing process. The ACA therefore reiterated its recommendation to establish a sustainable system of financing for old-age care and an overall strategy for all services.

COSTS, QUALITY AND STAFF

In 2016, the average costs for nursing homes, charged per days, accounted for some EUR 91 in Carinthia and for some EUR 161 in Vienna. Comparable data from cost accounting, which would have served to analyze such differences, were lacking. Possible causes for the cost differences lay in structural framework conditions such as nursing home sizes, different quality specifications or in matters of efficiency. Some provinces had defined the same tariffs for all nursing home operators, others made differentiations based on the operators. Also the differences in tariffs broken down by care services varied considerably among the provinces. The ACA therefore suggested to document the most important cost components of residential care,

such as nursing staff and buildings, based on uniform criteria, to compare such components on a regular basis and to establish best-practice examples therefrom.

A fundamental, nationwide definition of the quality of care was lacking to a large extent. The fact that the relevant provisions were stipulated in various laws, regulations, care concepts and nursing home contracts made it difficult to have an overview. For the persons affected it was not clear which concrete level of service delivery could actually be expected in which care facilities and in which province. Furthermore, no benchmarks had been set for assessing the services specified and actually provided. Uniform criteria and indicators as well as a uniform, comparable and publicly accessible quality measurement system were lacking. The ACA therefore considered it vital to develop a uniform understanding of the quality provided in nursing homes for essential areas such as specialized care, quality of life, medical or social care.

In a model care facility elaborated by the ACA, which contained 71 beds, the minimum staffing – calculated in full-time equivalents – was between some 46 persons in Vienna and some 22 persons in Burgenland. The staffing specifications set by the provinces were only partly legally binding and publicly accessible. In some cases, their last adjustment dated back to more than 20 years, although significant changes have been made since then, such as amendments to long-term care allowance levels and profession-related regulations. In addition to the definition of appropriate targets, also the actual availability of care staff presented an increasingly important challenge. The staffing regulations should therefore be harmonized, adapted to the actual need for old-age care and the desired care quality and

be regularly (about every five years) adapted to changed framework conditions. Furthermore, measures should be taken in a timely manner to safeguard the availability of the necessary staff: more training places could be created or the wages of employees in nursing homes could be adapted to those in hospitals.

MOBILE SERVICES

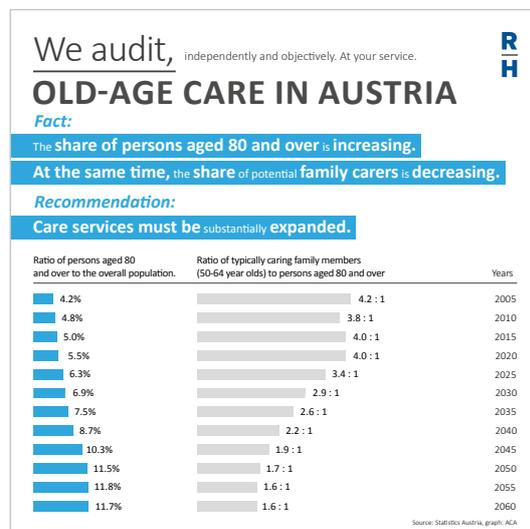
In 2016, mobile services in Austria provided care for some 147,000 persons accounting for about EUR 712 million, of which the public sector bore some EUR 486 million. About EUR 226 million were financed by the affected persons (partly using care allowance). Compared to that, nursing homes cost about EUR 3.4 billion and took care of some 75,000 persons. Since 2012, the Federal Government has put an emphasis on the strategy “prioritizing outpatient over inpatient care”: if possible, old-age care should be provided via mobile services or day-care facilities, whereas it should be avoided to resort to nursing homes services. As regards mobile services, considerable differences could be observed concerning the availability, scope and intensity of care as well as the qualification of the deployed staff. Old-age care statistics showed that the average costs for mobile services per hour were between about EUR 30 in Vorarlberg and about EUR 60 in Styria. The costs paid privately amounted to about EUR 11 per hour in Vienna and about EUR 22 per hour in Styria. The ACA recommended to ensure that the information on the mobile services, in particular with regard to the type of staff qualifications and the allocation of service hours to persons cared for, is complete and to analyze the reasons for the differences in the availability, scope and intensity of mobile care services.

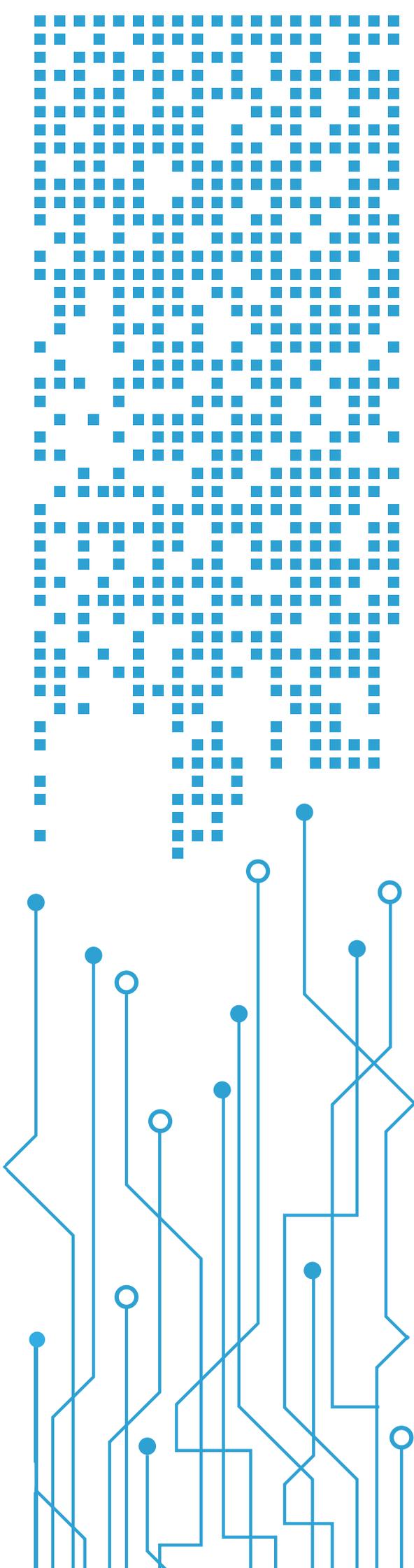
OLD-AGE CARE REFORM

The federal minister responsible for old-age care welcomed the comprehensive reporting by the ACA on this matter and considered the report as a central supporting contribution to his work. Subsequently, the Federal Ministry of Social Affairs, Health, Care and Consumer Protection addressed the need for action revealed by the ACA and launched the preparations for an old-age care reform in spring 2020. The process started with a structured dialogue with different affected groups of persons, and was followed by the creation of working groups on the following topics:

- reliability in care and safety of the system
- reducing loneliness and promoting togetherness
- appreciating care workers, also financially
- lifting the burden on family carers and tackling dementia as well as
- planning and devising with foresight.

With its report, the ACA contributes to reforming old-age care in Austria as it provided a comprehensive overview of the status quo.





1.6 DIGITALIZATION AT THE ACA

The vital importance of digitalization in today's everyday life was highlighted not least during the lockdowns of the COVID-19 crisis. Telework and videoconferences have been high on the agenda.

ACCESS TO INTERNET

Since 2020, the ACA has been a member of AConet, the Austrian high-performance data network. Simultaneously, the ACA joined the Government Internet eXchange (GovIX). GovIX is a shared, complementary and distributed peering infrastructure for Austrian authorities. The GovIX infrastructure is independent from internet traffic and therefore provides speed and cost advantages. It furthermore bundles IT communication in public administration. In the event of a failure of the public internet, GovIX participants can continue to communicate with each other digitally via the "authority network".

EXCHANGE OF DATA

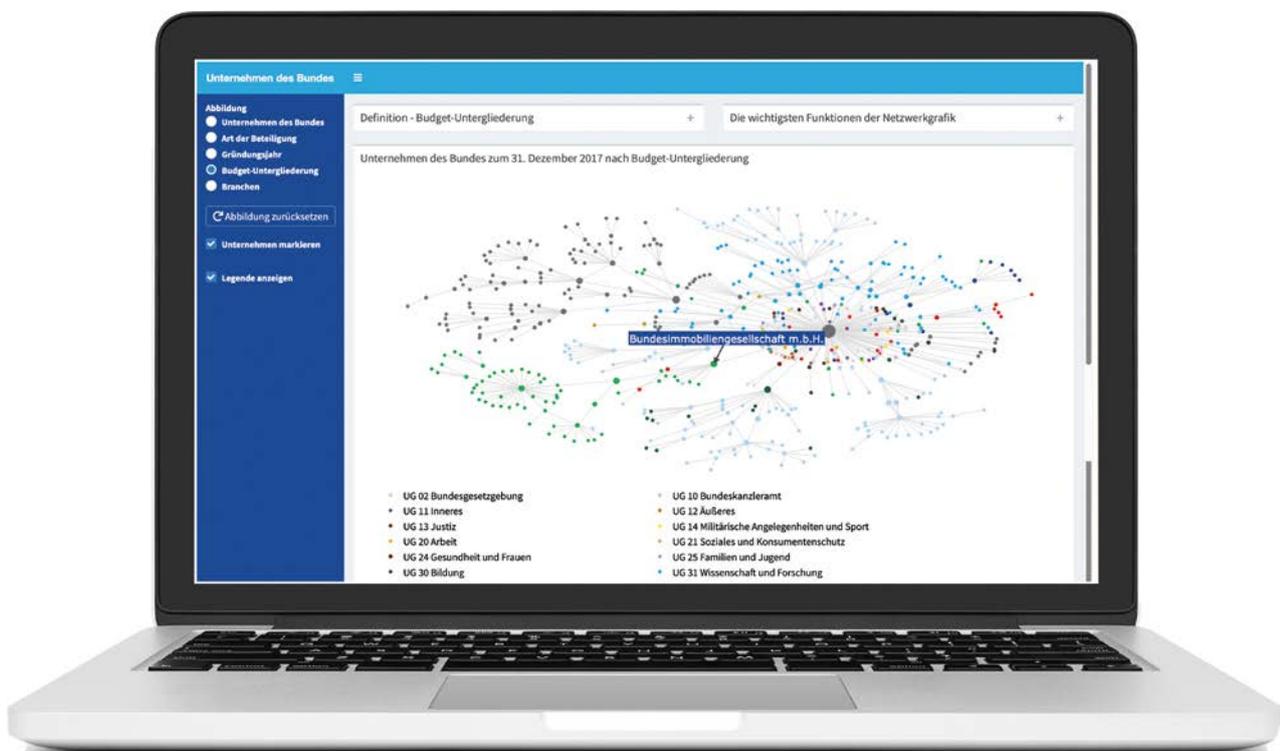
In order to ensure a secure exchange of data between the ACA and the audited entities, but also for transmitting audit results and receiving statements, the "RH-Box" ("ACA box") system was created. An "RH-Box" can be accessed via a web browser without any additional installations. As the protection of data has the highest priority, this application features an automated quality control. This gives the ACA an overview of all boxes at any time and ensures that only authorized persons have access to the respective box.

DATA ANALYSIS

In 2020, the ACA continued to pursue its goal to expand data analysis. In the course of the audit “Federal Companies” (volume Federation 2020/12), equity holdings and key data of companies in which the Federation holds a majority share were compiled. What made this data set stand out was the fact that a company can, on the one hand, hold a share in several other companies and may, on the other hand, be owned by several companies itself. This resulted in a network graph as the best possible form of presentation since this type of graph allows for the presentation of both the interdependencies as well as the overall complexity.

However, owing to the abundance of information, it was not sufficient to produce individual network graphs. Instead, an interactive application was programmed, making it possible to highlight individual company dependencies via a mouse click, to colour the individual companies by selecting predefined categories or to retrieve information on specific companies.

The result of this data analysis can be viewed in the first publicly accessible interactive ACA graph (<https://www.rechnungshof.gv.at/rh/home/news/Bundesunternehmen.html>)



The data analyses already carried out have revealed the limits of the current analysis system. The ACA has therefore taken the first steps to not only ensure that data analyses can be carried out directly on the auditors' computers, but also to provide server applications that feature databases and analysis software and can be equipped with sufficient hardware resources.

The ACA furthermore plans to step up the use of data analysis through the recruitment of additional auditors.

RESOURCE ADMINISTRATION

An internally developed application allows ACA staff members now to easily enter and automatically aggregate their time resources, and to export them into the federal cost-performance accounting system.

IT EQUIPMENT

As the ACA's auditors perform on-site audits everywhere in Austria, it is vital to ensure that they can be easily reached. The ACA therefore uses smartphones and makes increased use of videoconferences.

For many years, the ACA auditors have been working with mobile devices. For the upcoming year, a hardware replacement is planned, in the course of which all ACA staff members – including the secretariats – will be equipped with mobile work devices.

FULL DEPLOYMENT OF WLAN

The full deployment of WLAN at the ACA will have been completed by end-2020. This is another important stepping stone along the path to provide a modern IT infrastructure to the ACA staff members, and thus to promote flexible working.

DIGITALIZATION AND AUTOMATION OF THE OPERATIONAL PROCESS “AUDIT RESULT”

In 2020, the ACA started the revision of its most important operational process, namely the elaboration of the audit result. It is envisaged to adapt the process flow to the current requirements and to automate all repetitive activities. The test operation proved very satisfactory and the preparation of the audit result was carried out by using, already to a large extent, the new digitized process.

ELECTRONIC FILE SYSTEM AT THE ACA

As a preparation for the introduction of the electronic file system “ELAK” at the ACA, a working group was set up to analyze the administrative operational processes. The ACA aims at consolidating the internal IT landscape and to preparing it for the challenges posed by future requirements of digitalization.

1.7 PUBLICATIONS BY THE ACA'S AUDITORS

The ACA publishes its reports almost on a weekly basis. As regards the book market, however, publications that carry its name are rather an exception. In 2020, however, the ACA could boast as many as three such publications.

“THE ACA AS THE SUPREME AUDITOR OF PUBLIC FINANCES”

On the occasion of the 100th anniversary of the Austrian Federal Constitutional Law, the anthology “100 Jahre Verfassung” (“100 Years of Constitution”) was published in December 2020. Therein, numerous renowned personalities pay tribute to the legal text – spearheaded by the Federal President of the Republic of Austria, Alexander Van der Bellen. One of the overall 77 contributions stems from the pen of the ACA president: “The ACA as the Supreme Auditor of Public Finances”.

In this contribution, the ACA president highlights that the ACA fulfils an important democratic function since its audit reports form a significant element of parliamentary oversight in the National Council and the nine provincial parliaments. The ACA, in its capacity as a body of the Federation and the provinces, is in the unique position to provide an interconnected view of the financial flows between the different levels of government based on uniform criteria. In no way should there be spaces free of oversight in which the public sector acts in a financially effective but uncontrolled manner. This is why the provisions on external public audit laid down in the Austrian Federal Constitutional Law should be further developed with regard to transparency and accountability – also against the background of a comprehensive political party and transparency package

envisaged by the Federal Government. This concerns a clear definition of competencies that do not require a case-by-case interpretation by the Constitutional Court. The provisions of the Political Parties Act are also in need of reform. Furthermore, existing control gaps should be closed, e.g. in the municipal sector or in the case of non-profit building associations.

The contribution ends with the following conclusion: “As President I am convinced that the ACA, through its relevant and timely reports, position papers and guidelines, provides added value for the citizens. The ACA takes social, economic and ecological effects of the public use of funds into account – also for future generations. As the supreme guardian of public finances it paves the way for innovation and reforms.”

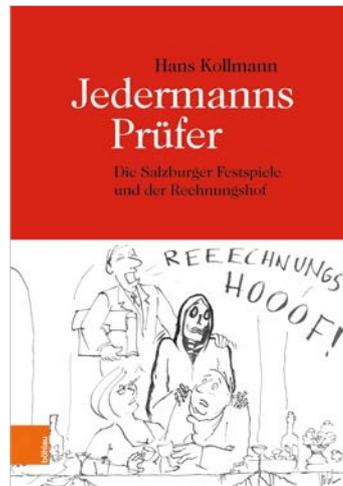


Kraker, Margit: ‘Rechnungshof als oberster Prüfer der öffentlichen Finanzen’, in: Peter Hilpold, Walter Hämmerle, Manfred Matzka (eds.), in: ‘100 Jahre Verfassung. 77 Stimmen zum Jubiläum des österreichischen Bundes-Verfassungsgesetzes (B-VG). Ein Lesebuch.’ Facultas, December 2020.

“JEDERMANNS PRÜFER” (“EVERYMAN’S AUDITOR”)

On the occasion of another 100th anniversary, Hans Kollmann, auditor of the ACA department for arts, culture and media, wrote the book “Jedermanns Prüfer. Die Salzburger Festspiele und der Rechnungshof” (“Everyman’s Auditor. The Salzburg Festival and the Austrian Court of Audit”) based on his master’s thesis for the Professional MBA Public Auditing (one of the ACA’s basic training programmes). Therein, he provided an analysis of the ACA’s audits made to date. The book presents therefore both a history of the Salzburg Festival from a hitherto overlooked perspective as well as a chronology of the ACA’s audit activities based on a frequently audited audit object. The book outlines the changes in the audit remit, in the working methods of the audit teams and in the audit criteria as well as the increased professionalization of the supreme audit body as regards its communication with the public and the media during the last hundred years. To date, the ACA audited the Salzburg Festival 13 times. Already prior to its first audit in 1935, the ACA had to look into the Festival, as a scandal involving secret funds, which had also been paid to the Festival, had resulted in the resignation of the then federal government in 1930. In 1935, following the extension of the ACA’s audit remit, the ACA was able to audit the Festival, which was a private association back then, for the first time.

In a book review, the daily newspaper “Salzburger Nachrichten” wrote under the heading “Surprise by the ACA”: “The most sophisticated contribution to the Festival’s history in its anniversary year comes from the Austrian Court of Audit. Who would ever have thought of the archives there, in search of documentation?”



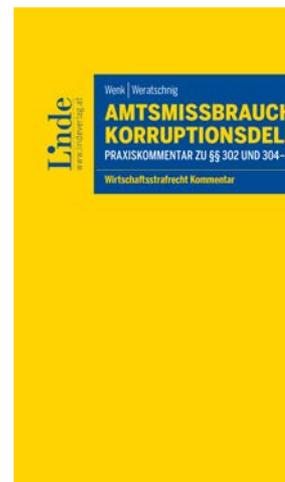
Kollmann, Hans: ‘Jedermanns Prüfer. Die Salzburger Festspiele und der Rechnungshof’, in: ‘Schriftenreihe des Forschungsinstitutes für politisch-historische Studien der Dr.-Wilfried-Haslauer-Bibliothek’, Salzburg, volume 074, Böhlau Verlag, July 2020.

Wenk, René and Weratschnig, Bernhard: ‘Amtsmissbrauch und Korruptionsdelikte: Praxiskommentar zu §§ 302 und 304–309 StGB’, Linde Verlag, July 2020.

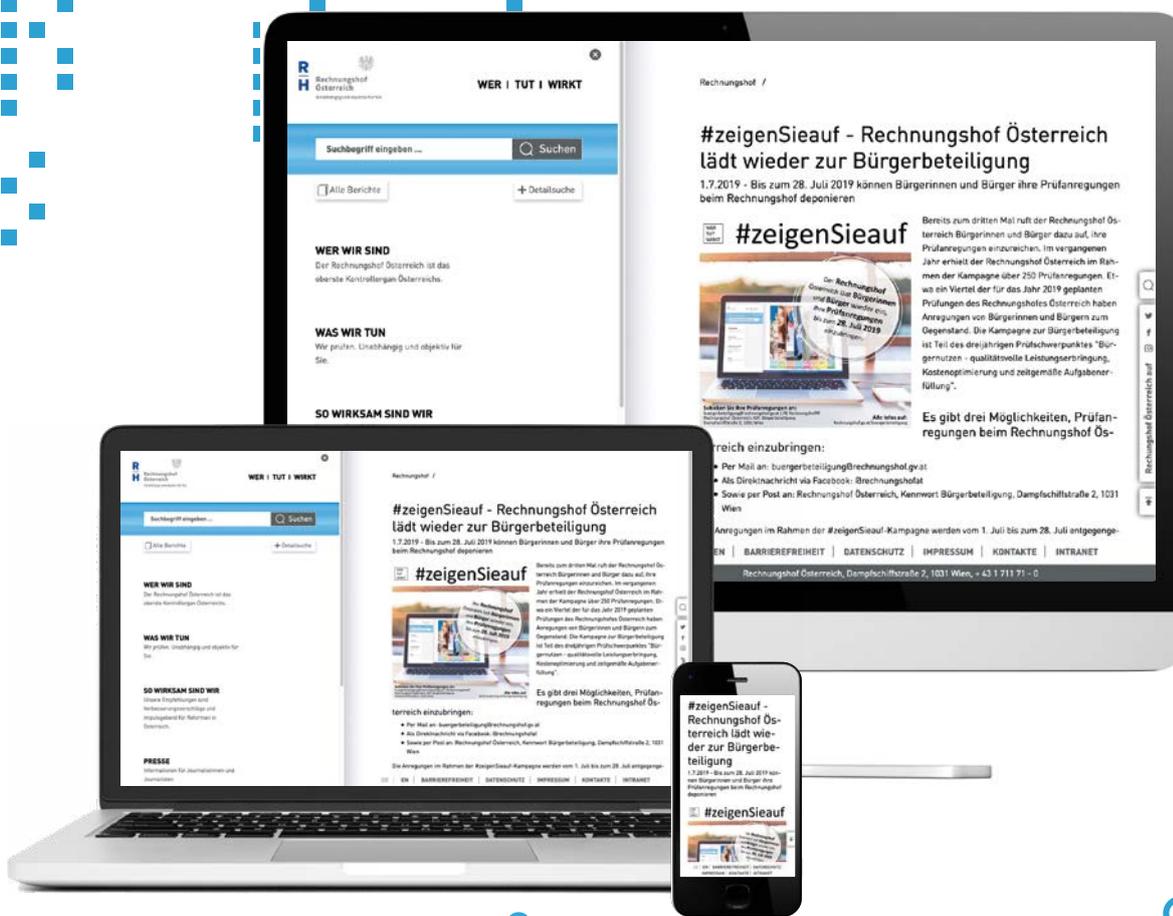
ABUSE OF POWER AND CORRUPTION

René Wenk, Head of the department for anti-corruption, compliance and risk management, prepared jointly with Bernhard Weratschnig, Senior Public Prosecutor, a commentary on economic criminal law under the heading “Amtsmissbrauch und Korruptionsdelikte. Praxiskommentar zu §§ 302 und 304–309 StGB” (“Abuse of Power and Corruption. Practical Commentary on sections 302 and 304-309 of the Austrian Criminal Code”).

The two authors offer a practical approach to this complex legal matter with illustrative examples from their long-standing professional experience in the fight against corruption and on the basis of the relevant case law. Before entering into the ACA, René Wenk was deputy director of the Federal Bureau of Anti-Corruption. Bernhard Weratschnig has been working at the Public Prosecutors Office for Combatting Economic Crime and Corruption since 2011. With this commentary they do not only offer an easy-to-understand approach to the provisions laid down in sections 302 and 304 to 309 of the Austrian Criminal Code, but also provide an up-to-date overview of the current case law and the most significant legal doctrines.



We communicate...
immediately and directly.



1.8 IMMEDIATELY AND DIRECTLY: THIS IS HOW THE ACA COMMUNICATES

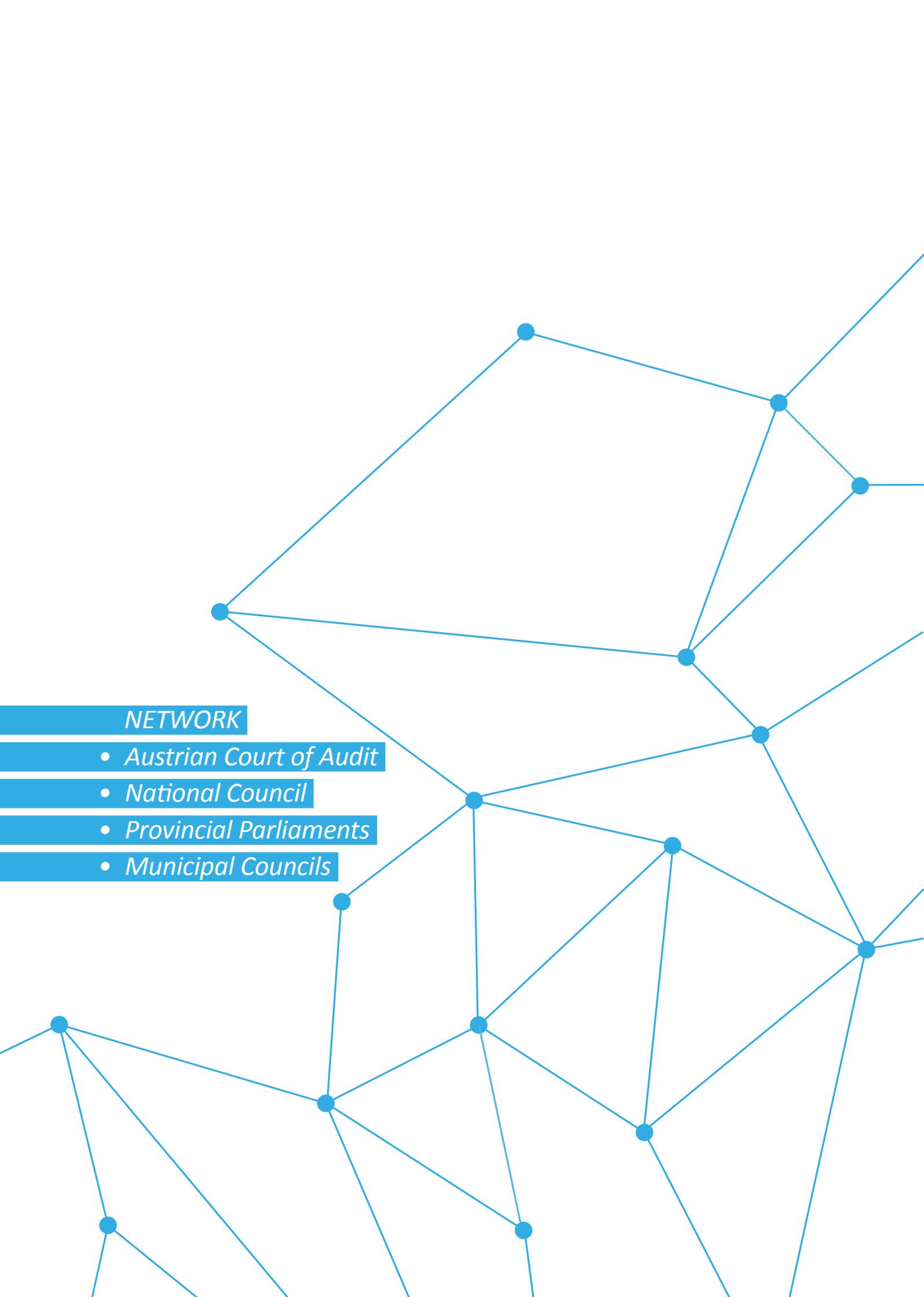
The ACA communicates with the public immediately and directly. Immediately, because the ACA's reports are published on its website rechnungshof.gv.at after being presented to the Parliament or to the provincial parliaments. In the social networks [Twitter](#), [Facebook](#) and [Instagram](#), the ACA communicates with the public directly. The ACA also makes use of videos: on [YouTube](#), for example, the president informed about the report "Old-Age Care in Austria", which received great attention. Press releases for journalists complete the ACA's communication services.

It was also via [video](#) and the social networks that the ACA called for suggestions as to which institutions should receive money from impermissible donations totalling EUR 10,000 that were given to political parties. The call prompted a considerable response: more than 950 suggestions were submitted by the citizens. The recipients of the donations were eventually decided by lot. The Kinderhilfswerk, Rainman's Home, the Tyrolean Cancer Research Institute, the Association Contrast and the Association of Autonomous Austrian Women's Shelters received EUR 2,000 each. Also in 2020, impermissible party donations totalling EUR 25,158.78 were transferred to the ACA. The citizens are called upon again to submit their suggestions.

The ACA attaches great importance to a direct communication with the citizens. Suggestions for audits are always welcome. In addition to that, the ACA invites the public to submit suggestions for audits under the motto **#zeigenSieauf (#tell_us)** every summer. You can find more information on this campaign and the already published audits that resulted from this citizen engagement initiative at https://www.rechnungshof.gv.at/rh/home/was-wir-tun/home_3/Buergerbeteiligung1.html.

The ACA is expanding its horizon. Via a joint project, the Court of Audit of the Republic of Slovenia and the ACA carried out audits on the framework conditions for the promotion of the reading skills and reading literacy of pupils in their respective countries. In a joint press release, but also via videos (see https://www.rechnungshof.gv.at/rh/home/news/news/news/Reading_.html), the two audit institutions informed about their results.

On 10 April 2020, the ACA president outlined in a press release the plans of the ACA to respond to the COVID-19 crisis: "There must be no indecent profiteers from this crisis. The money must reach those who really need it." The ACA will assess whether the many billions that are now being allocated to tackle the crisis serve their purpose. She furthermore emphasized the need for a uniform approach by the Federal Government and the provinces to address the crisis.



NETWORK

- *Austrian Court of Audit*
- *National Council*
- *Provincial Parliaments*
- *Municipal Councils*

2 AUDITING AND ADVISING

2.1 AUDITS AND REPORTS

In 2020, the ACA presented the following reports to the National Council, the provincial parliaments and the municipal councils:

Title	Date of publication	Volume
Financial Target Control System in Health Care – RESUBMISSION	13 Jan 20	Styria 2020/1
Stadtwerke Klagenfurt Aktiengesellschaft	17 Jan 20	Carinthia 2020/1
Procurement and Use of Drones at the Austrian Armed Forces	24 Jan 20	Federation 2020/1
Drones in Civil Aviation	24 Jan 20	Federation 2020/2
Promotion of Reading Skills in Schools	31 Jan 20	Federation 2020/3 Lower Austria 2020/1 Salzburg 2020/1
Study Choice – Guidance and Information	31 Jan 20	Federation 2020/4
Agrarmarkt Austria Marketing GesmbH; Follow-up Audit	14 Feb 20	Federation 2020/5
Collection of Excise Duties; Follow-up Audit	14 Feb 20	Federation 2020/6
Cancellation of Tax Arrears; Follow-up Audit	14 Feb 20	Federation 2020/7
Provision of Services by Selected Hospitals in the Province of Styria; Follow-up Audit	14 Feb 20	Styria 2020/2
Old-Age Care in Austria	14 Feb 20	Federation 2020/8 Burgenland 2020/1 Carinthia 2020/2 Lower Austria 2020/2 Salzburg 2020/2 Styria 2020/3 Tyrol 2020/1 Upper Austria 2020/1 Vienna 2020/1 Vorarlberg 2020/1
Coordination of Quality Labels for Food Products	21 Feb 20	Federation 2020/9 Lower Austria 2020/3 Upper Austria 2020/2
Management and Coordination of the Execution of Sentences and Measures	21 Feb 20	Federation 2020/10
Hospital of Oberwart – Planning, Refurbishment and Construction – RESUBMISSION	27 Feb 20	Burgenland 2020/2
Financial Target Control System in Health Care – RESUBMISSION	27 Feb 20	Burgenland 2020/3
Annual Report 2019 of the Austrian Court of Audit – RESUBMISSION	27 Feb 20	Burgenland 2020/4
Federal Digital Strategy	28 Feb 20	Federation 2020/11
Federal Companies	06 Mar 20	Federation 2020/12
Geological Survey of Austria	06 Mar 20	Federation 2020/13
Salzburg AG für Energie, Verkehr und Telekommunikation – Biogas	06 Mar 20	Salzburg 2020/3
Old-Age Care in Austria – RESUBMISSION	09 Mar 20	Burgenland 2020/5
Austrian Broadcasting Corporation: Consolidation of Locations – First Construction Phase	17 Apr 20	Federation 2020/14 Vienna 2020/2

Title	Date of publication	Volume
Subsidies for Green Electricity as Exemplified by Wind Power and Photovoltaics	24 Apr 20	Federation 2020/15
Wiener Linien – Modernization of the U4 Underground Line	08 May 20	Vienna 2020/4
Internal Control System Regarding the Debt and Investment Management of the City of Vienna	08 May 20	Vienna 2020/4
Federal Research and Training Centre for Forests, Natural Hazards and Landscape	15 May 20	Federation 2020/16
Railway Project: Brenner Base Tunnel; Follow-up Audit	22 May 20	Federation 2020/17
WIEN ENERGIE GmbH; Follow-up Audit	22 May 20	Vienna 2020/5
Bank Resolution in Austria	29 May 20	Federation 2020/18
Targeted Contribution to Housing Subsidies from 2015 to 2018	29 May 20	Federation 2020/19 Styria 2020/4 Vorarlberg 2020/2
Interpreting and Translation Services at the Federal Ministry of the Interior and the Federal Ministry of Justice	12 Jun 20	Federation 2020/20
House of Music in Innsbruck	19 Jun 20	Tyrol 2020/2
Federal Budget Reserves	26 Jun 20	Federation 2020/21
Report on the Federal Financial Statements 2019	26 Jun 20	FFS 2019
Centralized School-Leaving Examination	03 Jul 20	Federation 2020/22
Energy Industry Measures Against Energy Poverty	10 Jul 20	Federation 2020/23 Styria 2020/5 Upper Austria 2020/3 Vienna 2020/6
Search for Business Locations – Lower Austria and Styria	17 Jul 20	Lower Austria 2020/4 Styria 2020/6
Gemeindeinformatik GmbH	17 Jul 20	Vorarlberg 2020/3
Health Insurance Institutions for Public Employees (Krankenfürsorgeanstalten) of the City of Salzburg and the City of Steyr	24 Jul 20	Upper Austria 2020/4 Salzburg 2020/4
Discharge of Industrial Waste Water	24 Jul 20	Lower Austria 2020/5
Benefits Pursuant to the Childcare Allowance Act	21 Aug 20	Federation 2020/24
Corruption Prevention Systems in the Cities of Graz, Innsbruck and Salzburg	21 Aug 20	Salzburg 2020/5 Styria 2020/7 Tyrol 2020/3
Verkehrsauskunft Österreich VAO GmbH	28 Aug 20	Federation 2020/25
Accreditation and Public Funding of Private Universities	28 Aug 20	Federation 2020/26
Windpark Pretul GmbH	11 Sep 20	Federation 2020/27
E-Mobility	11 Sep 20	Federation 2020/28
Lake Neusiedl – Seewinkel National Park	18 Sep 20	Federation 2020/29 Burgenland 2020/6
Commissioning of Advisory Services and Studies at Selected Ministries	25 Sep 20	Federation 2020/30
New Invalidity Pension; Follow-up Audit	02 Oct 20	Federation 2020/31
Federal Monuments Authority Austria; Follow-up Audit	02 Oct 20	Federation 2020/32
Gender Aspects in Income Tax Law with a Focus on Earnings Tax; Follow-up Audit	02 Oct 20	Federation 2020/33
Traunseetram	09 Oct 20	Federation 2020/34 Upper Austria 2020/5
Higher School of Technology Spengergasse	16 Oct 20	Federation 2020/35
Erasmus+ Education and Tertiary Education	16 Oct 20	Federation 2020/36
Museum of Military History	23 Oct 20	Federation 2020/37
Assistance and Support Services of the Austrian Armed Forces for the Border Management	23 Oct 20	Federation 2020/38

Title	Date of publication	Volume
Management of Selected IT Projects of the IT Programme “E-Finanz”; Follow-up Audit	30 Oct 20	Federation 2020/39
Austrian Higher Education Area; Follow-up Audit	30 Oct 20	Federation 2020/40
Expansion of Parking Management in Vienna; Follow-up Audit	30 Oct 20	Federation 2020/41 Vienna 2020/7
EU Financial Report 2017 and 2018	13 Nov 20	Federation 2020/42 Burgenland 2020/7 Carinthia 2020/3 Lower Austria 2020/6 Salzburg 2020/6 Styria 2020/8 Tyrol 2020/4 Upper Austria 2020/6 Vienna 2020/8 Vorarlberg 2020/4
Public Risk Management for Agriculture	20 Nov 20	Federation 2020/43 Lower Austria 2020/7 Salzburg 2020/7
Österreich Institut G.m.b.H.; Follow-up Audit	27 Nov 20	Federation 2020/44
Civil Air Traffic Control; Follow-up Audit	27 Nov 20	Federation 2020/45
Subsidies for Urban Water Management	04 Dec 20	Federation 2020/46 Styria 2020/9
Admission Procedure for Human Medicine and Dentistry	11 Dec 20	Federation 2020/47
General Income Report 2020	18 Dec 20	Incomes 2020/1
Annual Report 2020 of the Austrian Court of Audit	29 Dec 20	Federation 2020/48 Burgenland 2020/8 Carinthia 2020/4 Lower Austria 2020/8 Salzburg 2020/8 Styria 2020/10 Tyrol 2020/5 Upper Austria 2020/7 Vienna 2020/9 Vorarlberg 2020/5

In 2020, the ACA published 62 audit reports – including the Report on the Federal Financial Statements and the General Income Report. In addition, the ACA re-submitted five reports, which had not been dealt with in the previous legislative term, to the provincial parliaments of Styria and Burgenland.

The number of ACA publications in 2020 was slightly below the comparative values of the previous years. This resulted from the ACA’s response to the outbreak of the COVID-19 pandemic. During the first lockdown from

mid-March to mid-April 2020, for example, the ACA refrained from publishing any reports. Some of the ACA’s audits were also put on hold, such as the audit of the “Sanitary Supervision of Hospitals” and “Preventive Health Care”. Both audits are revised and complemented against the backdrop of the new framework conditions. Due to the challenges arising from the pandemic, the ACA also updated its audit programme and initiated new, relevant audits already this year, such as those of the “Hardship Fund”, the “Structure and Scope of Financial Aid Measures”, the

“Crisis Management Fund”, the “Interaction between Federal and Provincial Authorities in the Event of a Pandemic” as well as the “Availability and Use of Health Data for Responding to a Pandemic”. Furthermore, the ACA experienced delays due to the pandemic-related framework conditions, such as reduced possibilities to carry out audits on site.

In this year, the ACA completed two other audits, which concern the “Need for Skilled Professionals in Tourism” as well as the “Rescue Services in Vienna”. In both cases, the audit could not cover the period of the outbreak of the COVID-19 pandemic in spring 2020, which is why an additional clarification is required:

As regards the “Need for Skilled Professionals in Tourism”, the development so far – namely continuously increasing figures related to tourism – ceased to continue this year due to the pandemic. The ACA is aware of the fact that the current situation in tourism is difficult and tense. Conclusions on the tourist labour market can only be drawn after the COVID-19 pandemic. However, the ACA is of the view that the problems of the tourism sector, which are outlined in the report and also include the required staff qualifications, are still relevant and significant especially as regards the new structuring of tourism. In this context, the findings and recommendations presented in the report are beneficial and of added value for the respective stakeholders in tourism.

The rescue services play a vital role in responding to the pandemic. The ACA considers it important that, in the current crisis, the rescue services’ work can be performed in an undisturbed manner. However, for the time after the crisis, the report on the “Rescue Services in Vienna”, which focuses on the Vienna Professional Rescue Service, contains findings and

general recommendations concerning the organization, financing and the quality of work, which are of general validity, topicality and relevance. At a later time, these findings and recommendations can form the basis for deliberations to further develop the rescue services in Vienna in a sustained manner and to strengthen and develop their performance also in the future.

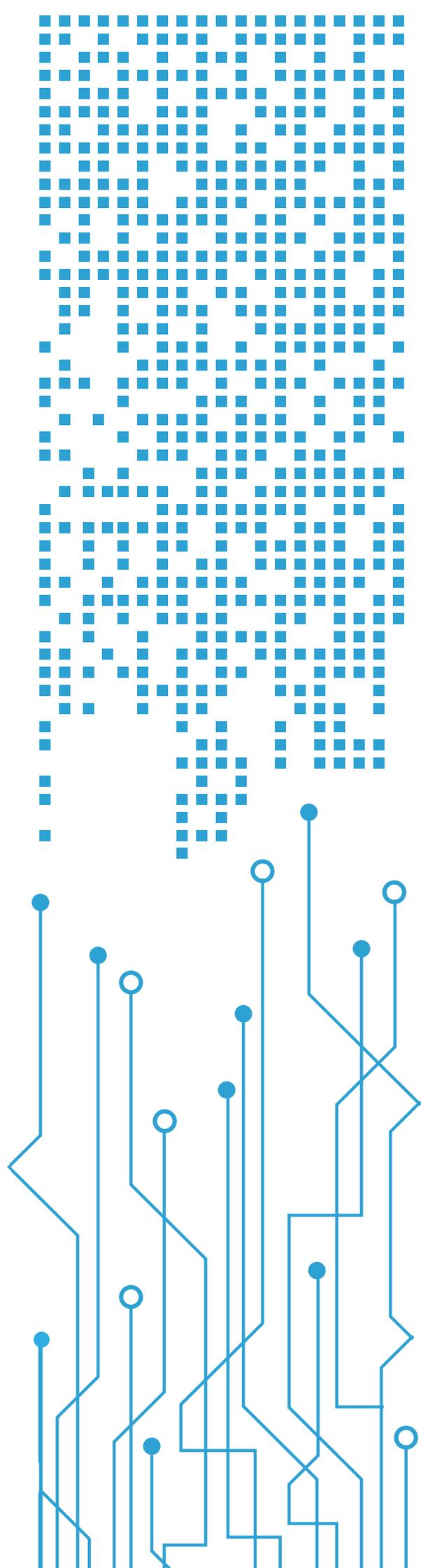
Both reports are – based on the clarifications provided – available in German as Annexes 2 and 3 of the Annual Report 2020 on the ACA’s website www.rechnungshof.gv.at.

In 2020, the ACA received three requests for special audits: the provincial parliament of Styria requested an audit of the “Filling of Vacancies Regarding the Educational Directorate for Styria” pursuant to Article 127 para. 7 of the Federal Constitutional Law in conjunction with Article 45a of the Provincial Constitutional Law. Members of the National Council requested the audit of “Areas of Primary Care and the Provision of Federal Care for Asylum Seekers in the Federal Ministry of the Interior Including the Activities of the Minister in this Area” pursuant to section 99 para. 2 of the Austrian National Council Rules of Procedure Act. The province of Carinthia submitted the request for a special audit of the “COVID-19 Crisis Management Fund” pursuant to Article 127 para. 7 of the Federal Constitutional Law in conjunction with Article 72 of the Carinthian Constitutional Law. Since the Federal Government is in charge of this fund, the ACA had to reject the request. However, this subject matter is covered by the Report on the Federal Financial Statements 2020, which places a special focus on COVID-19-related measures.

As at mid-December 2020, the ACA was in the midst of carrying out the following special and requested audits:

- Secretaries General at the Federal Ministries
- The Burgtheater and the Bundestheater Holding GmbH in the Period from September 1999 through to the Financial Year 2007/08
- Areas of Primary Care and the Provision of Federal Care for Asylum Seekers in the Federal Ministry of the Interior, Including the Activities of the Minister in this Area
- The Management of the Federal Ministry of Health in the Years from 2009 to 2017 by Federal Ministers of the Social Democratic Party of Austria (SPÖ)
- Contract Awards by ASFINAG (audit requested by the competent federal minister)
- Social and Non-Profit Housing of the Municipality of Vienna
- Filling of Vacancies Regarding the Educational Directorate for Styria

All ACA reports are published on its website at www.rechnungshof.gv.at and are therefore available to the public; the access has been barrier-free since January 2017. This means that the PDF files can now also be retrieved by blind people and people with visual impairments with the help of a speech reproduction programme. Since November 2017, the ACA has submitted all its reports to the National Council, the provincial parliaments and the municipal councils electronically and no longer in printed form.



2.2 ADVISORY SERVICES

After their submission and publication, the ACA's reports are discussed within the respective representative body. Prior to and in the context of the parliamentary discussion of the reports, the ACA also provides explanatory information to the members of the National Council or the provincial parliaments.

NATIONAL COUNCIL

Public Accounts Committee

In early 2020, 64 ACA reports submitted in 2018 and 2019 and the Income Survey were still unaddressed. In 2020, the ACA presented 50 reports, including the Report on the Federal Financial Statements 2019 and the General Income Report, to the National Council.

President Kraker attended eight meetings held by the Public Accounts Committee. She furthermore participated in three meetings of the Parliamentary Budget Committee and in seven plenary meetings of the National Council. The Public Accounts Committee discussed 30 reports, including the Annual Report 2019 and the Income Survey. Consequently, 82 reports submitted by the ACA in the period of 2018 to 2020 and the General Income Report remained unaddressed in end-2020.

Meeting with the ACA spokespersons

Upon the invitation of the ACA president, the ACA spokeswoman and spokesmen of the five parliamentary groups visited the ACA in February 2020 to exchange ideas. At the beginning of the new legislative term, the talks focused on the future cooperation of the ACA with the Public Accounts Committee of the National Council.

After the National Council elections on 29 September 2019 and the swearing-in of the new National Council on 23 October 2019, the Public Accounts Committee constituted itself for the 27th legislative term on 11 December 2019. Douglas Hoyos-Trauttmansdorff (NEOS), Member of the National Council, was elected as Chair.



The ACA spokeswoman and spokesmen of the five parties represented in Parliament paid a visit to President Kraker

IBIZA COMMITTEE OF INQUIRY

In January and March 2020, the parliamentary committee of inquiry on the Ibiza affair addressed a request to the ACA regarding the transmission of files and documents. In its efforts to enable full transparency and investigation, the ACA heeded the request completely.

In end-November 2020 – for the first time – an additional standard of proof was requested from the ACA by a committee of enquiry pursuant to section 25 para. 2 of the Rules of Procedure for Parliamentary Committees of Inquiry. The ACA was requested to ascertain for the Ibiza Committee of Inquiry within ten weeks which monetary allocations were made directly or indirectly by the Federal Government to natural or legal persons who donated or were supposed to donate directly or indirectly to the then governmental parties or one of their affiliated organizations in the years 2017 to 2019.

At the same time, the ACA was requested to determine the economic beneficiaries of subsidies, collaborations, advertisements, sponsorship agreements and other uses of funds by the Federal Ministry for European and International Affairs and the Austrian Development Agency as well as the Austrian Integration Fund in 2016 and 2017, with the exception of services pursuant to the Integration Act.

The ACA will heed the request within the scope of its possibilities.

PARLIAMENTARY ENQUIRIES

The ACA is also subject to the right of interpellation. This means that members of the National Council may address written questions concerning budget management, staffing and organizational matters to the ACA. In 2020, members of the National Council addressed the following four parliamentary enquiries to the ACA president.

- The parliamentary request addressed to the president of the ACA on 22 April 2020 concerned the topic “health care: corona crisis and new audit approaches to the ACA’s audits – revision of the previous audit reports and recommendations of the ACA in the area of health care” (request by SPÖ Member of the National Council Karin Greiner).
- The parliamentary request addressed also on 22 April 2020 related to the “financing of the ACA after COVID-19” (request by the SPÖ Member of the National Council Christian Drobits).
- The parliamentary request from 9 June 2020 concerned the “audit of the COVID-19 Crisis Management Fund” (request by the FPÖ Member of the National Council Herbert Kickl).
- The parliamentary request dating from 1 December 2020 addressed “questions on the statutory provision of the economic chambers” (request by the NEOS Member of the National Council Josef Schellhorn).

The responses to the requests by the ACA president have been published on the website of the Parliament: www.parlament.gv.at.

BUILDER-OWNER COMMITTEE OF THE NATIONAL COUNCIL

Pursuant to the Act on the Renovation of the Parliament Building (Parlamentsgebäudesanierungsgesetz), the ACA president is a member of the Builder-Owner Committee of the National Council, the leading oversight body for the renovation works of the Parliament building. The members of the executive bureau of Parliament – the three members of the bureau of the National Council and the heads of the parliamentary groups – and the ACA president are represented in the committee. The latter, however, explicitly abstains from voting. Her role is to contribute the ACA's expert know-how acquired through construction project audits. In 2020, four meetings were held by the Builder-Owner Committee.

In November 2020, the National Council unanimously amended the Act on the Renovation of the Parliament Building. With this amendment, the possibility was established to exceed the originally defined budget by up to 20%, should this be necessary due to unavoidable or unforeseeable events or additional requirements. The Act, which was unanimously adopted in 2014, established cost ceilings of EUR 352.2 million for the renovation of the Parliament building and EUR 51.4 million for the makeshift quarters. Already in the motion on which this Act was based, reference had been made to a 20% tolerance, which had not been taken into account.

Another amendment to the Act concerns the function of the ACA president: the Act now stipulates precisely that the ACA president is only an advisory member of the project oversight body.

PROVINCIAL PARLIAMENTS

In 2020, the ACA submitted 26 reports, including the General Income Report, to the provincial parliaments. In addition to that, the ACA

also re-submitted five reports to the provincial parliaments of Styria and Burgenland.

At provincial parliament level as well, the ACA would wish for a timely discussion of its reports and for being invited to attend the deliberations of its reports. The ACA's relations with the individual provincial parliaments are governed differently by the provincial constitutions and the standing orders of the provincial parliaments. Some provincial parliaments address ACA reports at great detail and regularly invite the auditors to attend the deliberations. In Carinthia and Vorarlberg, the ACA was not invited to any deliberations of its reports in 2020.

ACA staff members took part in 32 committee meetings of the provincial parliaments and the Vienna Municipal Council. In addition, the president attended a meeting of the Vienna Municipal Council on 16 December 2020, where she has a right to take the floor.

The technical opportunity of attending committee meetings by way of videoconferences is being seized by an increasing number of provincial parliaments, now also by the provincial parliaments of Burgenland and Carinthia.

ACA staff members joined the meetings of the provincial parliaments' oversight committees 26 times from Vienna. The ACA underlines that, notwithstanding the positive experiences made with videoconferences, its auditors are also ready to join the committee meetings in person in the provincial parliaments if this is desired. In justified cases – and this is the ACA's firm belief – direct and immediate communication between the provincial parliament and the ACA can certainly be advantageous.



There is one specificity as regards the financial supervisory committee of the provincial parliament of Salzburg. While the National Council and the provincial parliaments don't usually hold public committee deliberations, the provincial parliament of Salzburg provides a live stream of the discussions held in its committee meetings on its website. The videoconferences between the ACA in Vienna and the financial supervisory committee in the provincial parliament of Salzburg on 23 September 2020 as well as on 14 and 21 October 2020 were therefore broadcast live. The recordings of the meeting are also available in the archive of the provincial parliament's website.

In October 2020, the Commercialbank Investigation Committee of the provincial parliament of Burgenland requested, as part of its decision on the taking of evidence, the ACA to provide administrative assistance. However, the ACA, as a body of the legislative branch, is not subject to the general obligation to provide administrative assistance pursuant to Article 22 of the Federal Constitutional Law. This results in particular from the fact that Article 53, para. 3 of the Federal Constitutional Law stipulates a special obligation to provide administrative assistance to the investigative committee of the National Council for bodies of regional authorities and other self-governing bodies. The Federal Consti-

tutional Law does not contain a comparable provision for investigative committees of the provincial parliaments and the investigative commission of the Vienna Municipal Council.

MUNICIPAL COUNCILS

In 2020 the ACA submitted a total of eight reports to municipal councils and the assemblies of municipal associations. Compared to the National Council and the provincial parliaments, the ACA's cooperation with the municipal councils can be expanded. The ACA is striving to step up cooperation and, when submitting reports at the municipal level, expressly points out that the auditors are available to provide information when the reports are being dealt with by the municipal council.

In 2020, the ACA's auditors were invited three times to do so. They presented the ACA's reports and answered the questions of the committee members in the following committees:

- in the legal, financial and economic committee of the municipality of Ansfelden on the report "Financial Flows Between Provinces and Municipalities as Exemplified by Ansfelden in Upper Austria and Feldkirchen in Carinthia" (volumes Carinthia 2019/3, Upper Austria 2019/7) on 16 June 2020,
- in the oversight committee of the provincial capital Salzburg on the report "Health Insurance Institutions for Public Employees (Krankenfürsorgeanstalten) of the City of Salzburg and the City of Steyr" (volumes Upper Austria 2020/4, Salzburg 2020/4) on 19 October 2020 and
- in the oversight committee of the provincial capital Salzburg on the report "Corruption Prevention Systems in the Cities of Graz, Innsbruck and Salzburg" (volumes Salzburg 2020/5, Styria 2020/7, Tyrol 2020/3) on 9 November 2020.

*Survey on the degree of implementation
of the reports issued in 2019
with a qualitative evaluation*

*Follow-up audit,
the second stage of outcome control*

2,247 recommendations 2019

3 THE ACA'S RECOMMENDATIONS FACILITATE ITS IMPACT

The effectiveness of the ACA depends in particular on the implementation of its recommendations. In order to determine – but also to enhance – its impact, the ACA uses an outcome assessment process consisting of two phases. In the first phase the ACA queries the auditees about all the recommendations it had issued in the course of the previous year and their degree of implementation. The auditees then report on whether they have taken measures to implement the recommendations and, if yes, which ones. Based on these communications, the ACA assesses the degree of implementation of its recommendations. The result of this follow-up enquiry, which involves no audit activities by the ACA, is therefore based exclusively on the information provided by the auditees. During the second phase – which, in general, takes place one year after the follow-up enquiry – the ACA checks the implementation of selected recommendations in the framework of “follow-up audits” on site.

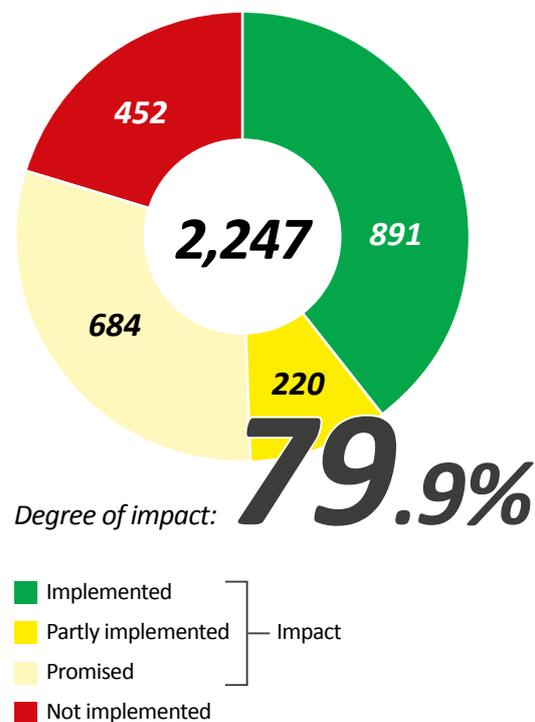
In the framework of its outcome-oriented control, the ACA sets a target it wants to reach for each of the two phases of the outcome assessment process. As regards its enquiry on the degree of implementation of its recommendations, it aims for a share of 75% with regard to the implemented recommendations and recommendations whose implementation is promised. In the case of the follow-up audits of 2020, the target was at 80%. The latter target is higher and reflects the expectation of the ACA that the auditees will have been able to implement a larger part of its recommendations in the course of two to three years.

3.1 ENQUIRY ON THE DEGREE OF IMPLEMENTATION OF THE RECOMMENDATIONS ISSUED IN 2019

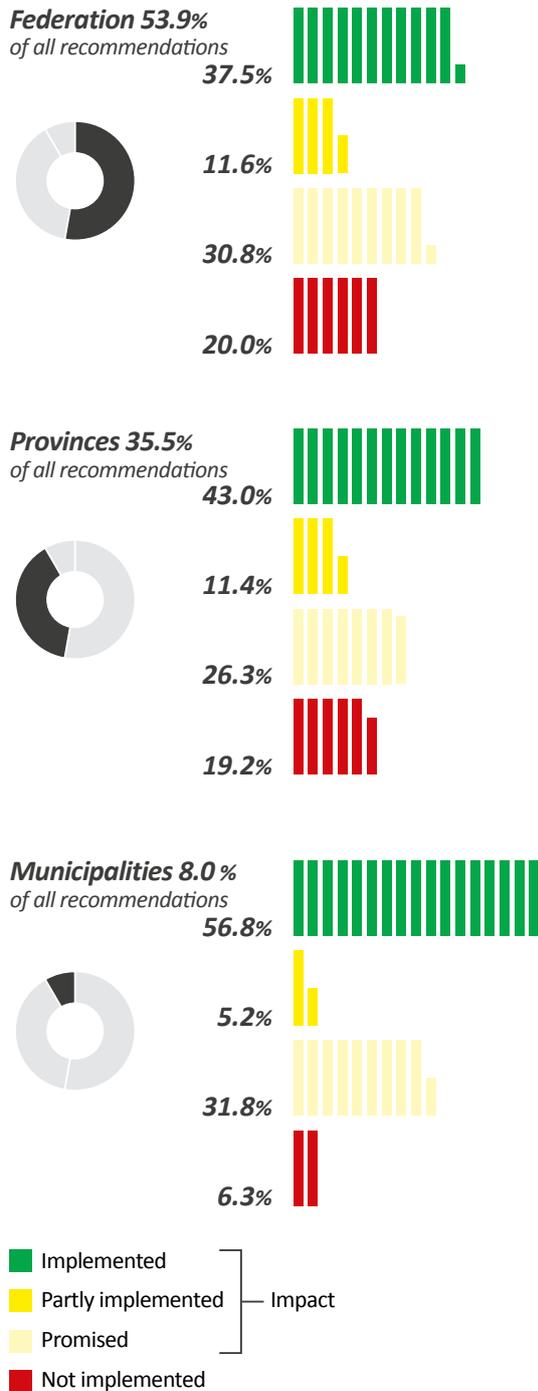
In 2020, the ACA queried 114 auditees about the degree of implementation of the recommendations it had issued in 2019 and assessed the degree of implementation of 2,247 recommendations. With regard to 75 recommendations, no information was provided or no action had been necessary owing to the developments that had taken place in the meantime.

The enquiry for 2019 provided the following result (rounded figures):

Recommendations 2019



Broken down by territorial entities,
the results are as follows:



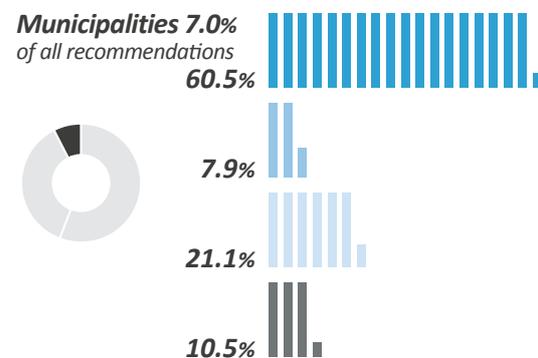
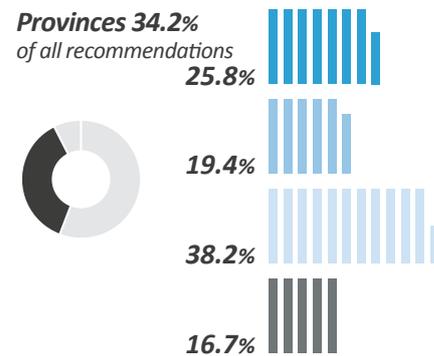
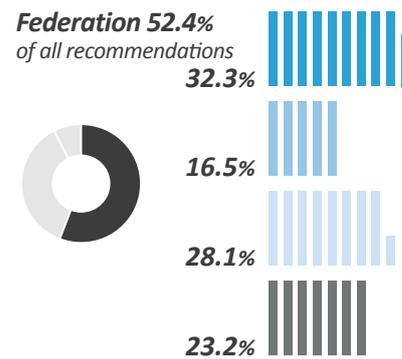
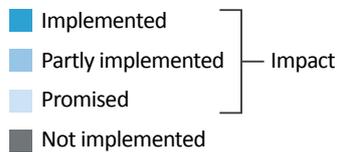
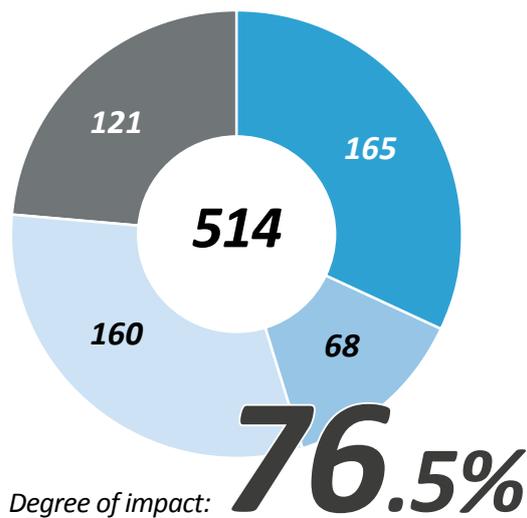
Rounding differences may occur;
chambers are not included



The ACA separately highlights the central recommendations in its reports. Compared to the overall analysis, an analysis of the central recommendations results in a slightly lesser degree of implementation, namely 76.5% (rounded figures):

Broken down by territorial entities, the results concerning the central recommendations are as follows:

Central recommendations 2019



The detailed results of the “Follow-up Enquiry in 2020” are part of the Annual Report 2020 (Annex 1, in German) and can be retrieved on the ACA’s website at www.rechnungshof.gv.at.

Rounding differences may occur; chambers are not included

This purely quantitative evaluation showcases in general a major impact. However, as in the previous years, some of the ACA's significant recommendations also remained unheeded.

In order to render the result of the follow-up enquiry more informative, the following

section contains qualitative evaluations of the achievements and unrealized potential for action as regards relevant areas. The following analyses are based exclusively on the information provided by the audited entities in the framework of the ACA's follow-up enquiry.

ENVIRONMENT AND CLIMATE



The management of natural resources, the adaptation to climate change, the promotion of energy efficiency, the protection against natural hazards – such topics are regular items on the ACA's agenda. In the spirit of sustainability, the ACA addresses these issues in its reports and issues corresponding recommendations.

The ACA considers a timely, comprehensive and proactive information of the citizens and the decision-makers as important when it comes to environmental hazards and the detrimental effects on health arising therefrom. Well-

founded, fact-based communications can promote confidence in environmental measures, increase the awareness of problems and prevent shortcomings – e.g. with regard to the management of hazardous waste or energy consumption. The ACA's recommendations issued in the reports "Construction of the S10 Mühlviertel Motorway" (volume Federation 2019/27) or "Post Office Building at the Rochusplatz in Vienna" (volume Federation 2019/39) were either (partly) implemented or the auditees promised their implementation.

For the ACA, true-cost pricing is also an essential aspect in environmental matters to ensure the availability of transparent data based on the polluter-pays principle. Therefore, it has repeatedly called for regular profit and cost accounts – such as in the area of sewage and waste disposal – so that these can be used, for example, as a basis for determining the amount of charges to be collected. The "Munic-

ipality of Perchtoldsdorf” (volume Lower Austria 2019/2) promised to take this into account for such a determination.

Regulations and provisions to minimize environmental hazards should be defined in a precise, feasible and verifiable manner. Only in this way is it possible to comply with regulations, to monitor compliance effectively and thus to contribute to the protection of the population and the environment. The Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology implemented the ACA’s recommendation to work towards the establishment of requirements that stipulate measurements in the areas of noise protection and air pollutants (“Post-project Analyses Pursuant to the Federal Act on Environmental Impact Assessment with Regard to Federal Highways”, volume Federation 2019/13). The provinces of Lower Austria, Salzburg, Styria and Tyrol issued rehabilitation regulations for waterways or initiated procedures for water protection according to section 21a of the Water Rights Act 1959 (Wasserrechtsgesetz 1959) or promised to do so (“The Greening of Waterways, Second Rehabilitation Period”, volumes Federation 2019/19, Lower Austria 2019/5, Salzburg 2019/2, Styria 2019/3 and Tyrol 2019/2). As regards “The Roll-out of Intelligent Measuring Devices (Smart Metres)” (volume Federation 2019/1), the recommendation to adopt a regulation regarding the protection of the general public from the impacts of electromagnetic fields remained unaddressed.

HEALTH CARE



In the past years, the ACA observed that the effectiveness of care provided in specific areas of the Austrian health-care sector was limited despite high public healthcare expenditure. The ACA attaches great importance to the development of an effective, high-quality healthcare system for the public.

The National Mental Health Strategy (“Nationale Strategie zur psychischen Gesundheit”) comprises ten objectives regarding very comprehensive issues such as prevention, care, research or de-stigmatization. With this strategy, the Federal Ministry of Health, the Umbrella Association of Social Insurance Providers, the Pension Insurance Fund and the Austrian Health Insurance Fund implemented the ACA’s recommendation to establish a cross-sector strategy for the improvement of mental health. According to the ACA’s recommendation, such a strategy should be based on clear action mechanisms and take into account the treatment expenditure and the consequences of illnesses. The recommendation to attach more importance to mental health in the target-based governance agreements, in the Austrian Healthcare

Structure Plan (“Österreichischer Strukturplan Gesundheit”) and in the regional healthcare structure plans was either already implemented partly or its implementation was promised. The audited entities furthermore promised to pursue a legal reorganization of psychotherapy as medical treatment by taking into account specific qualification requirements, a broad range of services, a needs-based governance and the making use of elective care (“Care for Mentally Ill People by Social Insurance Providers”, volume Federation 2019/8).

In its report “Psychosocial Support Services in the Provinces of Salzburg and Styria” (volumes Federation 2019/9, Salzburg 2019/1 and Styria 2019/2), the ACA called for a coordination between those responsible in order to guarantee patient- and needs-oriented development of psychosocial care and to avoid any gaps. In this regard, the tasks and responsibilities of the psychiatry coordination office and the coordination group should be clearly defined and their involvement should be provided for prior to any changes in care structures. According to the information provided by the province of Styria, it had implemented this recommendation partly. It furthermore promised to establish an alternative to the accommodation of mentally impaired persons in nursing homes in the course of the demand-oriented further development of psychosocial services.

As regards “Diabetes Prevention and Care” (volume Federation 2019/43),

the Federal Ministry of Health promised to prioritize and vigorously pursue evidence-based health promotion and prevention projects in Austria. Based on the ACA’s recommendations, adequate measures (e.g. incentive schemes) were also adopted to increase the participation in preventive health check-ups, especially as regards persons who forego regular health visits and who have an increased risk of diabetes. Prompted by the ACA’s recommendation, the Umbrella Association of Social Insurance Providers enhanced the invitation system for health check-ups to increase the participation in preventive health check-ups, especially as regards persons who forego regular health visits and who have an increased risk of diabetes.

In its report “Procurement of Medicines in Selected Hospitals in Salzburg and Tyrol” (volumes Federation 2019/44, Salzburg 2019/5 and Tyrol 2019/4), the ACA addressed issues concerning the supply of medicines in Austria. In order to ensure the security of supply, any related issues should be evaluated and a strategy as well as measures for implementation should be elaborated. The Federal Ministry of Health implemented this recommendation partly.

EDUCATION



As shown by numerous studies, the school system in Austria is characterized by comparatively high expenditure and average to below-average pupil performance. A complex constitutional allocation of competences and the lack of congruence of responsibilities as regards task performance and expenditure (provinces) and the funding (Federation) of teachers in compulsory schools result in inefficiencies, duplications of efforts and conflicting objectives.

In 2019, in the field of education, the ACA placed an emphasis on the raising of awareness of the needs of different target groups, such as people with special needs and people with a migrant background and experiences of displacement.

In its report “Inclusive Education: What Does Austria’s School System Offer?” (volumes Federation 2019/4, Carinthia 2019/4 and Tyrol 2019/1), the ACA pointed to the importance of an overarching, inclusive education concept that covers the whole education chain (including elementary and adult education). All schools should be involved in the implementation of such an inclusive

education system. In this way, an inclusive education system can be established at all levels. In accordance with the current Government Programme 2022-2024, the Federal Ministry of Education promised to implement inclusiveness in the education system up through tertiary education. Upon completion of the project “Inclusive Model Regions” (“Inklusive Modellregionen”), the Ministry of Education intends to prepare an overall analysis of the individual measures to promote inclusiveness and to render the inclusion-related approach in the education system more concrete. Furthermore, the Federal Ministry of Education promised to evaluate the different legal bases of school legislation in the framework of its preparatory work for the “Inclusive Model Regions” with the aim to harmonize legislation in this area. This should create, in essence, the same framework conditions for pupils with special educational needs and/or with physical or sensory disabilities and for apprentices in integrative vocational training.

The migration movement in 2015 also posed a great challenge for the school system. As regards children who had experienced displacement, language tuition and integration were on top of the agenda. The ACA’s recommendation issued in its report “Education of Children and Adolescents with Refugee Experience” (volumes Federation 2019/12, Vienna 2019/3) to make available a standardized test procedure to ascertain the language skills was imple-



mented.

However, the ACA's recommendation to collect data on the educational background and the professional qualifications already at the onset of the asylum procedure in order to influence, as positively as possible, the integration of children and adolescents who had experienced displacement remained unheeded.

According to the operational programme "Employment in Austria 2014–2020" ("Beschäftigung Österreich 2014–2020"), the Federal Ministry of Education had to contribute to the reduction and prevention of early school leaving via support measures in schools and in adult education. It heeded the recommendation issued in the report "European Social Fund: Subsidies for Schools and Adult Education" (volume Federation 2019/32) to use broader selection criteria for ESF school projects and to also consider ongoing developments. In this way, the resources provided can be used in a target-oriented and target-group-specific way, which can subsequently lead to a reduction in early school leaving.

EQUALITY



For more than ten years, the federal government, the provinces and the municipalities of Austria have been required by the Federal Constitutional Law to pursue, in their financial management, the goal of establishing actual equality between women and men. In its reports, the ACA has time and again revealed objectively unjustifiable differences and inequalities between women and men. Often, the ACA is unable to assess such cases of inequalities due to deficient or lacking databases.

As already in the previous years, the ACA also recommended in numerous reports issued in 2019 to increase the ratio of women in management positions or, in general, to work towards increasing the quota for women's representation. Many of the ACA's recommendations in this regard have either been implemented or their implementation was promised, namely as concerns the following audits: "Federal Office for Immigration and Asylum" (volume Federation 2019/46), "COMET Centres ACIB GmbH and Linz Center of Mechatronics GmbH" (volumes Federation 2019/3, Styria 2019/1 and Upper Austria 2019/2), "Graz-Köflacher Bahn und Busbetrieb GmbH; Follow-up

Audit" (volume Federation 2019/16), "Reform of the Military Service" (volume Federation 2019/6), "Smart Minerals GmbH" (volume Federation 2019/38) and "The System of Competition Authorities Outside the Financial Market" (volume Federation 2019/28).

The ACA's recommendation to pay more attention to the distribution of resources between women and men in the federal sports promotion scheme to foster equality ("Federal Sports Promotion Scheme", volume Federation 2019/14) was not implemented. As at mid-2020, the supervisory board, the management and the committees of the Bundes-Sport GmbH continued to be exclusively filled with men. The ministry responsible for sports, however, explained that it attached particular importance to ensuring an adequate representation of women in the bodies of the Bundes-Sport GmbH.

FUNDING



The funding system in Austria encompasses all areas of life. It is shaped by a high number of funding entities, funding pots and funding programmes. An overall overview of the numerous actions taken by the Federal Government, the provinces, the municipalities and other public entities is lacking. The total amount of the funds paid out is not known. In 2018, according to the “Funding Report 2018” (“Förderungsbericht 2018”) published by the Federal Ministry of Finance, the Federation paid out a total of EUR 6,098.8 million for direct subsidies and subsidies on behalf and the account of external legal entities. This accounts for 7.8% of the overall payments of the Federation.

In the past years, the ACA has, in the spirit of a responsible use of public funds, over and over again pointed to the importance of transparency, effectiveness and a needs-based approach. It furthermore called for the definition of objectives and measurable indicators. The ACA has created an impact with two audits: the Austrian Research Promotion Agency (FFG) implemented the ACA’s recommendation to define, together with the “COMET Centres ACIB

GmbH and Linz Center of Mechatronics GmbH” (volumes Federation 2019/3, Styria 2019/1 and Upper Austria 2019/2), ambitious planning values for the target and performance indicators.

A long-standing demand of the ACA concerns the reduction of the number of funding entities, funding pots and funding programmes. The Federal Ministry for Arts, Culture, the Civil Service and Sport failed to heed the implementation to work towards a clear division of competences between the local authorities and a clear allocation of tasks in the different funding areas in the “Federal Sports Promotion Scheme” (volume Federation 2019/14). Another recommendation that remained unheeded had been addressed to the province of Styria and the Health Fund Styria (Gesundheitsfonds Steiermark) to pool the funding for the providers of psychosocial care in one entity (“Psychosocial Support Services in the Provinces of Salzburg and Styria”, volumes Federation 2019/9, Salzburg 2019/1 and Styria 2019/2).

In its reports issued in 2019, the ACA placed an emphasis on the correct funding management, which starts with a complete application. The province of Vienna implemented the ACA’s recommendation to request complete calculations regarding the Vienna Danube Island Festival (Donauinselfest) from the Verein Wiener Kulturservice (association Vienna cultural service) only partly (“Selected Large-Scale Events in Vienna”, volume Vienna 2019/10). In order to eliminate the risk of double funding,

the ACA successfully recommended to the “Municipality of Perchtoldsdorf” (volume Lower Austria 2019/2) to oblige, via its funding guidelines, the applicants to indicate any further applications and/or the granting of funds by other funding entities. Along the same line, the ACA’s recommendations addressed to the Health Fund Styria contributed to ensuring a stronger focus on the quality of the funding applications. Furthermore, a directive on the granting of funds was established and became applicable (“Psychosocial Support Services in the Provinces of Salzburg and Styria”, volume Federation 2019/9, Salzburg 2019/1 and Styria 2019/2).

Several times, the ACA underscored the importance of an orderly use of funds and recommended, if need be, to reclaim funds. As regards the “Federal Sports Promotion Scheme” (volume Federation 2019/14) and “Selected Large-Scale Events in Vienna” (volume Vienna 2019/10), the ACA’s recommendations in this regard were either implemented or their implementation was promised.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT



The internal control system (ICS) is a dynamic process that is embedded in the organizational structure and comprises a chain of control procedures that become effective on all levels and in all work and operational flows of an entity. Its purpose is the planning, carrying out and constant monitoring of the operational processes. An effective internal control system is based on a comprehensive risk analysis since each form of task performance can be threatened by risks. In the framework of risk management, such risks are addressed, identified, analyzed and assessed. Risk response and monitoring support a forward-thinking task management and strengthen the proper functioning of an organization.

In 2019, the ACA audited the existence and/or the quality of internal control and risk management systems several times. In this context, it reached a partial success in the province of Tyrol: a comprehensive and structured ICS was to be established for its debt and investment management based on the already existing ICS components. In this regard, the province of Tyrol has

already taken initial measures. It also implemented the recommendation to carry out annual risk analyses (among others concerning interest rate risks, liquidity risks and operational risks) and to report on these issues to the provincial financial officers (“Internal Control System in the Debt and Investment Management of the Province of Tyrol”, volume Tyrol 2019/5).

The ACA also created an impact with regard to the introduction and/or further development of risk management, such as in the framework of its audits “The System of Competition Authorities Outside the Financial Market” (volume Federation 2019/28) and „Federal Office for Immigration and Asylum” (volume Federation 2019/46). Moreover, the Federal Ministry of Finance promised to implement the ACA’s recommendation that was ultimately aimed at strengthening risk management in the fight against tax fraud (“International Exchange of Information in Fiscal Matters”, volume Federation 2019/33).

Both the internal control system as well as risk management are processes that have to be evaluated and further developed on a continuous basis. The city of Linz implemented the ACA’s recommendation to once again analyze the risks and ICS measures for administrative penalty proceedings (“Administrative Penalty Proceedings in the City of Linz”, volume Upper Austria 2019/4). The province of Tyrol promised to increase the requirements for the debt and

investment management based on the provisions of risk management and the principles of ICS should the complexity and degree of risk of financial transactions increase (“Internal Control System in the Debt and Investment Management of the Province of Tyrol”, volume Tyrol 2019/5).

Internal auditors – in their capacity as internal audit and advisory service providers who work in an objective manner and are independent of processes – are important points of contact for the ACA within the scope of its audit activities. The strengthening of audit has always been essential to the ACA. The Social Insurance Provider for Businesses implemented the ACA’s recommendation issued in the report “Internal Audit and Control Assembly at the Social Insurance Providers for Businesses and for Railways and Mining” (volume Federation 2019/2) to separate the tasks of the internal audit unit from those of risk management. The ACA was also successful with its recommendation issued to the province of Tyrol regarding the debt and investment management to ensure regular evaluations of the ICS by the internal auditors (“Internal Control System in the Debt and Investment Management of the Province of Tyrol”, volume Tyrol 2019/5).

DIGITALIZATION



In order to harness the opportunities created by the advancing digitalization, but also to effectively manage the risks involved and to safeguard the security of citizens’ data, the public sector needs to take measures in the area of digital infrastructure. All citizens should have access to digital information and public services.

The ACA has repeatedly recommended the introduction of an electronic application system and called for an easy and user-friendly access to information and public services for citizens. As regards its recommendation issued in the report “Disaster Relief; Follow-up Audit” (volume Salzburg 2019/6), the province of Salzburg promised the technical implementation of the electronic application system in the framework of disaster relief for damage caused to private property. The Federal Ministry of Justice failed to carry out the recommended improvement of the search function of the Register for Lobbying and Interest Representation (“Register for Lobbying and Interest Representation”, volume Federation 2019/45).

Modern IT tools are the basic requirement for a resource-efficient and swift administration. Therefore the ACA has repeatedly recommended to provide IT support for administrative processes and to further expand existing electronic systems. In doing so, the ACA achieved, for example, that the “Austrian National Library” (volume Federation 2019/40) also digitalized the historic catalogues of the Department of Papyri. The “AustriaTech – Mobility Technologies and Innovations” (volume Federation 2019/42) promised to implement the ACA’s recommendation to establish electronic cash books. The responsible authorities also promised to abolish the double documentation of cases (in electronic and paper format) as regards the “Administrative Penalty Proceedings in the City of Linz” (volume Upper Austria 2019/4). The province of Salzburg and the city of Vienna are now documenting, as recommended by the ACA, all stages of supervisory procedures under the Limited Profit Housing Act (Wohnungsgemeinnützlichkeitsgesetz) electronically (“Supervision of Non-profit Building Associations”, volumes Salzburg 2019/3, Tyrol 2019/3 and Vienna 2019/8).

In order to reduce the risk of errors and manipulation, data that are already available electronically should not be collected and transmitted more than once, and they should not be recorded manually. As regards the ACA’s recommendations to create system interfaces and to import data automatically, the following addressees promised their

implementation: the city authorities of Linz (“Administrative Penalty Proceedings in the City of Linz”, volume Upper Austria 2019/4), the “AustriaTech – Mobility Technologies and Innovations” (volume Federation 2019/42), the Federal Ministry of Justice (“Criminal Asset Recovery”, volume Federation 2019/7) as well as the Federal Ministry of the Interior and the province of Upper Austria (“Traffic Fines”, volume Federation 2019/29 and volume Upper Austria 2019/5).

Informed decisions require reliable data. The Federal Ministry for Digital and Economic Affairs promised the implementation of the ACA’s recommendation to base the data administration in the business information system on a generally valid and comprehensible foundation (“Access to Commercial and Industrial Professions”, volume Federation 2019/37). The Federal Ministry of Education and the Federal Ministry for Labour, Family and Youth reported that they had carried out the recommended subsequent entry of data of already approved projects related to adult education in the central ESF database (“European Social Fund: Subsidies for Schools and Adult Education”, volume Federation 2019/32). The ACA’s recommendation issued in its report “Diabetes Prevention and Care” (volume Federation 2019/43) to record health data obtained from medical examinations, e.g. data from mother-child-pass examinations, examinations by school doctors, examinations of adolescents and army conscripts or health check-



ups, electronically in a standardized manner remained unheeded. Such data, however, would provide the basis for health policy analyses.

In times of advancing digitalization, the ACA attaches great importance to the protection of personal data. In this context, it made an impact in several areas, such as old-age care, health, immigration and education (“Municipal Association ‘Gemeindeverband Seniorenheim Altenmarkt’”, volume Salzburg 2019/4, “Care for Mentally Ill People by Social Insurance Providers”, volume Federation 2019/8, “Federal Office for Immigration and Asylum”, volume Federation 2019/46; “Inclusive Education: What Does Austria’s School System Offer?”, volume Federation 2019/4).

3.2 FOLLOW-UP AUDITS

Based on the results of the enquiry, the ACA ascertains the actual implementation of its recommendations on site. These so-called follow-up audits are the second stage of the outcome assessment process.

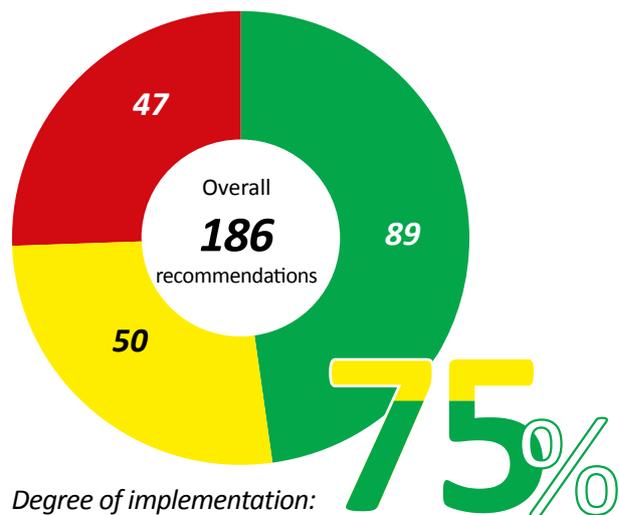
In 2020, the ACA published 14 follow-up audit reports. Therein, it assessed the implementation of 186 recommendations: 89 (47.8%) had been implemented fully and 50 (26.9%) had been implemented partly. This shows that two-thirds of the ACA's recommendations had made an impact. 47 recommendations had not been implemented (25.3%).

As in the past years, also in 2020 the degree of implementation was at about 75%. Hence, the target value of 80% defined for the quantitative result could not be attained.

The qualitative analysis shows a more nuanced picture: several follow-up audits revealed that the central recommendations had remained unheeded, such as those presented in the follow-up audit report "Collection of Excise Duties" (volume Federation 2020/6). The state's revenue from alcohol, beer, mineral oil, sparkling wine and tobacco taxes amounted to around EUR 6.66 billion in 2017. Compared to that, the volume of tax reliefs from mineral oil tax of some EUR 1.15 billion was still very high in 2017. The ACA's recommendation to evaluate the amount of existing tax reliefs from mineral oil tax and their necessity against the control and administrative burden created for the customs offices was not heeded by the Federal Ministry of Finance. Consequently, there remained an increased risk of misuse of tax reliefs and unwanted tax shortfalls. Overall, the Federal Ministry of Finance failed to imple-

All recommendations assessed in 2020

- Implemented
- Partly implemented
- Not implemented



ment half of the twelve assessed recommendations.

It should also be noted that follow-up audits are only snapshots and depict the status quo of the audited period. This was the case with the follow-up audit on "Gender Aspects in Income Tax Law with a Focus on Earnings Tax" (volume Federation 2020/33): only two of the eleven recommendations had remained unaddressed. However, the assessment was based on the Federal Finance Act 2019 (Bundesfinanzgesetz 2019), which was applicable at the time of the audit. Based on the Federal Finance Act 2020, the ACA would have had to assess two other recommendations as "not implemented". The ACA's recommendation to coordinate the equality target of the budget chapter 16, including the measures and indicators, with the equality targets, measures and indicators of

related areas, which had been assessed by the ACA as “partly implemented”, would have to be assessed as “not implemented” due to the fact that the gender pay gap has been eliminated as an indicator. The ACA’s recommendation to use the indicator “employment rate according to full-time equivalents” for the measurement of structural changes and the distribution of paid work, which had been assessed by the ACA as “implemented”, would also have to be assessed as “not implemented” due to the fact that the indicator “employment rate according to full-time equivalents” has been eliminated.

Overall, this follow-up audit shows a rather unsatisfactory picture as regards equality: despite the fact that in its previous report the ACA had explained thoroughly that tax-related measures did not suffice to ensure a comprehensive implementation of the equality target, the central recommendation of the ACA issued to the Federal Ministry of Finance to pursue the establishment of an equality strategy across all ministries and levels of government remained unheeded. After all, there are many factors outside the sphere of influence of the ministry, such as the concentration of women in the low-paid sector, the high gender pay gap, the availability of childcare facilities as well as opposing incentives in other areas.

The follow-up audit “Civil Air Traffic Control” (volume Federation 2020/45) showed that of the overall 18 recommendations issued in the preceding report 13 had not been implemented at all, only three had been implemented partly and merely two fully. The considerable staff expenditure of Austro Control was a central issue in the ACA’s preceding report. Therein, the ACA had recom-

mended to mitigate the expenditure and to ensure an increase in productivity and efficiency, such as in the areas of air traffic control, training and meteorological services. In fact, the staff expenditure had risen from EUR 150.63 million in 2015 to EUR 224.63 million in 2018. This corresponds to an increase of about 49%, of which a considerable part represented old-age pensions. However, even with old-age pensions excluded, staff expenditure had increased by some 12% from EUR 140.99 million to EUR 158.31 million in the same period. The number of staff members, however, had only risen by some 4%.

According to Austro Control, the management had invited the competent trade unions via a letter from May 2020 to enter into collective agreement negotiations. In this letter, the management had clearly stated that Austro Control aimed at attaining the necessary reduction of expenditure also via cuts to the applicable collective agreements. First talks with the trade unions had been scheduled for end-June 2020. In a communication of November 2020, Austro Control declared to have attained savings of about EUR 50 million in its negotiations with the employee representatives.

In contrast, the follow-up audits on the “Agrarmarkt Austria Marketing GesmbH” (volume Federation 2020/5), the “Federal Monuments Authority” (volume Federation 2020/32), the “Management of Selected IT Projects of the IT Programme ‘E-Finanz’” (volume Federation 2020/39) and the “Austrian Higher Education Area” (volume Federation 2020/40) are to be highlighted: all assessed recommendations had been either implemented fully or partly, not a single one remained unaddressed.



4 CONSULTATION ON DRAFT LEGISLATION

In the framework of the official consultation process, the ACA regularly provides expert comments on draft laws and ordinances. In doing so, it closely looks at whether the financial implications of the project are sufficiently spelt out, and also whether recommendations from its reports are being implemented.

The Federal Organic Budget Act (Bundeshaushaltsgesetz) requires every federal minister to attach a presentation on the outcome-oriented impact assessment in terms of major effects to every draft bill and ordinance submit-

ted by his or her ministry. Pursuant to the Federal Organic Budget Act, the financial implications for the federal statement of assets, the cash-flow statement and the operating statement for the current and, as a minimum, for the next four fiscal years must be quantified, as well as the financial implications for the provinces, municipalities and social insurance providers, and the long-term impact on the federal budget. The principles of relevance, consistency in content, understandability, plausibility, comparability and verifiability are to be respected in the framework of providing infor-

mation with regard to the assessment of the financial implications.

In consultations on draft legislation, the ACA assesses in particular whether:

- the presented results of the outcome-oriented impact assessment of the financial implications of the new legislation on the public finances are plausible,
- the ACA's recommendations from earlier audits have been implemented, and whether
- the planned measures will impact its audit work.

In performing this core task, the ACA was impacted by the measures in response to the COVID-19 crisis, which were taken from March on, to the extent that 30% fewer drafts were submitted for comments in comparison to the same period of the previous year.

Furthermore, no consultation process took place on the more than 130 provisions in draft laws and ordinances linked to the fight against the COVID-19 crisis – among them collective amendments to several laws or ordinances. A small number of exceptions included the draft of the Investment Premiums Act (Investitionsprämien-gesetz) or the draft of the COVID-19 Loss Consideration Ordinance (COVID-19-Verlustberücksichtigungsverordnung).

4.1 FEDERATION

In general, the consultation period for the submission of comments should be at least six weeks. In 2020, the ACA fell, in part, significantly below this six-week deadline with 43 of the submitted legislative drafts. This concerned particularly, but not exclusively, draft bills falling within the scope of competence of the Federal Ministry of Finance. In this context, the ACA critically notes that especially legislative projects with significant financial implications have been subject to a very short consultation period. As examples, the merely three-day-long consultation period provided for the draft of the Economic Stimulus Act 2020 (Konjunkturstärkungsgesetz 2020) submitted by the Federal Ministry of Finance and the draft of the Investment Premiums Act (Investitionsprämien-gesetz) submitted by the Federal Ministry for Digital and Economic Affairs, as well as the consultation period of merely four working days for the 2nd Organizational Reform Act for the Austrian Tax and Customs Administration (2. Finanz-Organisationsreformgesetz) submitted by the Federal Ministry of Finance shall be mentioned.

While the ACA acknowledges that in justified cases the period for providing expert comments had to be shortened this year due to the implementation of measures in response to the COVID-19 pandemic, it critically notes that it was also given deadlines of only a few working days to comment on drafts unrelated to any measures adopted to fight the COVID-19 crisis. At the same time, the ACA highlights that this must not become the norm in “normal years”.

In 2020, the ACA received a total of 136 draft laws and ordinances for comments from the

Federal Administration (cut-off date 30 November 2020). The National Council forwarded one federal draft law with the request for consultation to the ACA; two professional representations of interests, the Gesundheitsplanungs GmbH (limited liability company for healthcare planning), the Austrian Patent Office, the Agency for Quality

Assurance and Accreditation Austria and the Austrian Data Protection Authority forwarded a total of 18 draft ordinances with the request for consultation to the ACA. Based on the legislative drafts submitted to the ACA, the following assessment of the information provided on their financial implications can be made:

Federal Ministry	Plausible information	Insufficient information
Federal Chancellery	1	0
Federal Ministry for Agriculture, Regions and Tourism	10	0
Federal Ministry for Arts, Culture, the Civil Service and Sport	2	1
Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology	25	3
Federal Ministry for Digital and Economic Affairs	12	4
Federal Ministry for European and International Affairs	3	0
Federal Ministry for Labour, Family and Youth	6	0
Federal Ministry of Defence	3	0
Federal Ministry of Education, Science and Research	13	6
Federal Ministry of Finance	12	7
Federal Ministry of Justice	6	1
Federal Ministry of Social Affairs, Health, Care and Consumer Protection	14	2
Federal Ministry of the Interior	5	0
Overall	112	24

4.2 PROVINCES

In 2020, the ACA also commented on draft legislation of the provinces. The following provinces submitted drafts: Carinthia, Lower Austria, Styria, Upper Austria and Vorarlberg. No consistent obligation to carry out a cost calculation exists at the provincial level; only the Upper Austrian and Burgenland constitutions and the Styrian Budget Act provide for the ascertainment and presentation of the financial implications of new legislation.

In 2020, the ACA received a total of 60 draft laws and ordinances from the above-mentioned provinces for comments (cut-off date 30

November 2020). They contained information on their financial implications to the following extent:



Province	Plausible information	Insufficient information
Carinthia	29	6
Lower Austria	2	0
Styria	3	0
Upper Austria	11	2
Vorarlberg	5	2
Overall	50	10

4.3 SELECTED COMMENTS

The ACA publishes its expert comments on draft laws and ordinances on its website at www.rechnungshof.gv.at. Here are some examples:

DRAFT OF A 2ND ORGANIZATIONAL REFORM ACT FOR THE AUSTRIAN TAX AND CUSTOMS ADMINISTRATION

The ACA pointed to its recommendations concerning the pooling of certain specialist fields, e.g. in the reports “Transparency with Regard to Tax Benefits in the Field of Corporate Tax Law with a Focus on Group Taxation” (volume Federation 2013/6) and “Joint Audit of All Wage-Dependent Levies” (volume Federation 2012/6). It therefore suggested incorporating a general provision into the Austrian Federal Fiscal Code (Bundesabgabenordnung) to support specialization.

The ACA critically noted that the explanatory notes did not contain a presentation of how the planned shifts in responsibilities within the Tax and Customs Authorities will impact the (personnel) resources required by each authority. In particular, they did not contain information about the implications of the respective personnel requirements resulting from the following responsibility shifts: the responsibility shift from the federal minister of finance to the Tax Office Austria with regard to tax benefits for researchers, artists and athletes moving to Austria (Zuzugsbegünstigung) pursuant to section 103 of the Austrian Income Tax Act 1988 (Einkommensteuergesetz) as well as the new responsibility of the Tax Office Austria to perform solvency checks upon the request of the Customs Office Austria pursuant to section 25 para. 3 of the Customs Law Implementation Act (Zollrechts-Durchführungsgesetz).

DRAFT OF AN ECONOMIC STIMULUS ACT 2020

With regard to the tax benefits provided for in the draft, the ACA pointed to its long-standing recommendation to grant tax benefits only for a limited period of time to ensure regular performance reviews and to evaluate whether such benefits remain necessary to attain the desired objectives.

In view of the newly suggested possibilities to offset tax losses, the ACA referenced its follow-up audit “Transparency of Benefits with Regard to Income Tax Law” (volume Federation 2018/4) and pointed to its recommendation to establish an IT-supported loss database that would enable an automatic loss calculation.

Considering the tax loss associated with this draft law, the ACA critically noted that this draft did not contain a presentation of its financial implications.

DRAFT OF A NEW LEGISLATIVE PACKAGE ON RENEWABLE EXPANSION

The ACA comprehensively commented on this draft – referring to numerous reports, such as “Subsidies for Green Electricity as Exemplified by Wind Power and Photovoltaics” (volume Federation 2020/15), the audits of individual companies active in the areas of wind power, biomass, biogas, hydropower and “e-mobility” (volume Federation 2020/28), “The Roll-out of Intelligent Measuring Devices (Smart Metres)”

(volume Federation 2019/1), “Energy Industry Measures Against Energy Poverty” (volume Federation 2020/23) as well as reports on the decline in the economic viability of thermal power plants, which will nonetheless continue to play a role in the renewable expansion as network reserves. In summary, the highlighted aspects included the following:

In particular with regard to funding efficiency, the ACA considered it appropriate that a stronger market integration of renewable energy take place and that the need for funding be determined, among others, by means of calls for tender in the future.

Since, in accordance with the 2018 Climate and Energy Strategy of the Federal Government, the targets of sustainability, security of supply and competitiveness/affordability (energy policy triad) should be pursued as primary objectives in an equal and balanced manner, the ACA noted that the draft primarily focused on ecological sustainability, i.e. the expansion of renewable power plants. From the draft of the legislative package on renewable expansion it was not clear how the targets security of supply, competitiveness and affordability should be reached in an equal and balanced manner.

Among others, the ACA positively noted that:

- the draft lays down a duty of disclosure for electricity and gas companies as well as renewable energy communities and provides for rights to inspection for the federal minister,
 - the general eligibility conditions for funding, which are to be approved by the federal minister, shall lay down rules for payment, data transmission, rights and obligations of funding recipients as well as disruptions in the execution of the contract, liabilities and rescission, and
 - funding is only granted if the plants in question are equipped with load profile metres or intelligent measuring devices.
- However, the ACA critically noted, among others, that:
- funding efficiency is not adequately taken into account as market premiums in the area of “wind power” continue to be determined by the administration, and awarding them by way of calls for tender is planned from 2024 on at the earliest – tied to a positive evaluation –,
 - the period of time in between the submission of the funding application and the putting into service could incentivize funding optimization by building more modern and efficient plants than originally requested. However, the plants were funded at rates that exceeded the average production costs of the actually constructed plant type, and this draft provides for the possibility to extend the deadline by twice the period needed for putting the plants into service – from one to up to two years for photovoltaic devices and from two to up to four years for wind power systems,

- the regular evaluation of the adequacy and topicality of concessions is still not provided for, and
- the ACA's recommendation to evaluate the accuracy as well as the efficiency of the current "green electricity relief" was not addressed, despite the fact that the ministry had agreed with the ACA's findings in its statement to the report. The current green electricity relief was designed along the lines of previous reliefs (telephone and broadcasting fees), which were established from the 1960s on – under different circumstances and with different goals.

As far as the financial implications are concerned, the ACA noted that the explanatory notes of the legislative package on renewable expansion neither contained a presentation of the overall costs nor an estimate until 2030 and that it was not disclosed which costs will arise on which level (energy producer, network operator) in the course of the renewable expansion and which share of the costs will be borne by which actors – and by way of passing on costs to the public.

FEDERAL DRAFT LAW ON FINANCING THE DIGITALIZATION OF THE SCHOOL SYSTEM

Although in the current situation the ACA deems the measures aiming at digitalizing the Austrian school system, in essence, as appropriate, it noted with reference to its report "IT Support in Schools" (volume Federation 2018/47), among others, the following:

The planned uniform procurement and maintenance of IT devices was perceived as a first step towards taking the recommended elaboration of a joint IT model into account. Integrating and maintaining approximately 400,000 devices for pupils as well as teachers in an already fragmented school-specific infrastructure could, however, present a particular challenge for the security and functionality of the entire system.

In addition, the ACA pointed to one of its recommendations in which the ministry was advised to further develop the recommendation on basic IT infrastructure in collaboration with the stakeholders and consequently to further standardize the IT equipment of public schools.

The ACA's other suggestions concerned issues of IT security, the internet connection at schools as well as the coordinated approach for procuring standard software.

With regard to the financial implications, the ACA is of the opinion that not all potential costs were spelt out. Furthermore, the financial implications should have been allocated more clearly to the targets and measures mentioned in the explanatory notes.

**Bundesrechnungsabschluss
für das Jahr 2019**
Textteil Band 2: UNTERGLIEDERUNGEN
Segmentberichterstattung



III-137 der Beilagen zu den Stenographischen Protokollen des Nationalrates XXVII. GP.
Rechnungshof GZ 105.378/014-PA3/20

*The special tasks of the
Austrian Court of Audit.*

5 SPECIAL TASKS

In addition to its core functions – auditing and providing advice – a number of special tasks have also been assigned to the ACA. Here is an overview:

5.1 REPORT ON THE FEDERAL FINANCIAL STATEMENTS

The ACA submitted the Report on the Federal Financial Statements 2019 to the National Council in June 2020. The net result of 2019, i.e. the difference between expenditure and

revenue, represents a surplus of +EUR 819.08 million and thus an improvement of EUR 3.096 billion in comparison to the estimate.

This resulted, on the one hand, from higher revenue than expected (+EUR 1.458 billion), in particular as regards tax revenue, and, on the other hand, from lower transfer expenditure (-EUR 1.243 billion), in particular in the area of pension insurance and transfers to the ÖBB-Infrastruktur AG. The financial expenditure (-EUR 0.319 billion) was also lower than estimated.

Revenue

Financial revenue

EUR **1,655.51** million

Operational administrative revenue

EUR **3,053.14** million

Transfer revenue

EUR **6,950.28** million

Net revenue from charges

EUR **70,161.91** million

Positive net result

EUR **819.08** million

Expenditure

Transfer expenditure

EUR **58,602.30** million

Staff expenditure

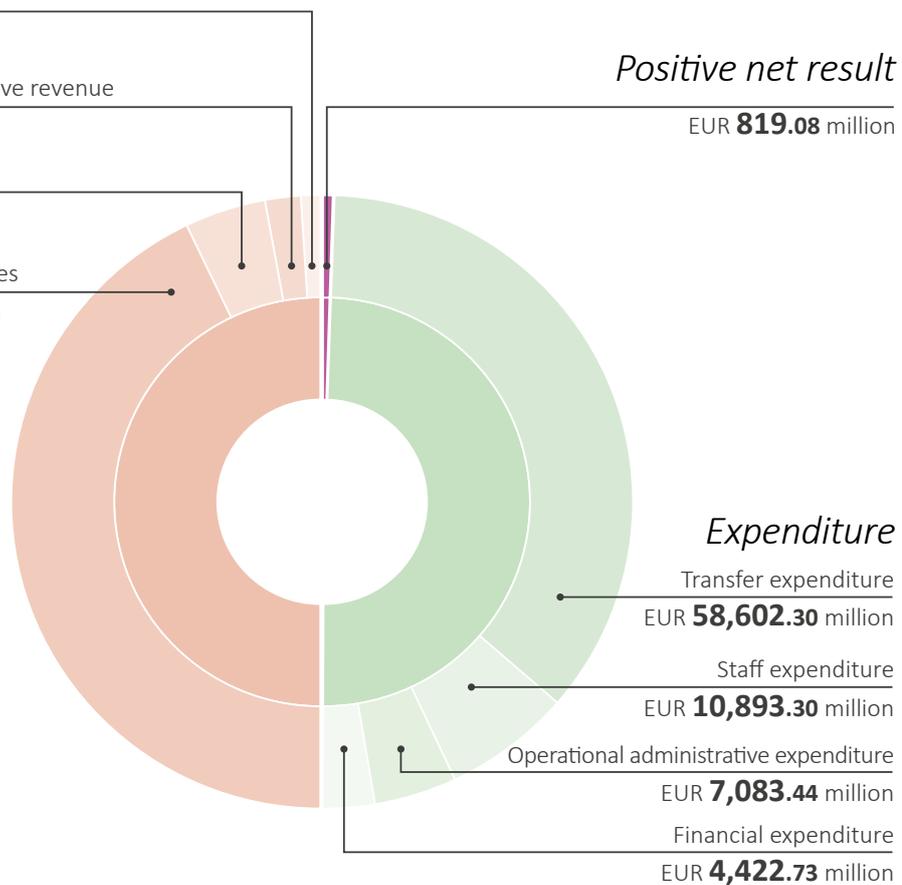
EUR **10,893.30** million

Operational administrative expenditure

EUR **7,083.44** million

Financial expenditure

EUR **4,422.73** million



Source: Institute for Advanced Studies, graph: ACA

The net result of 2019 was by EUR 1.343 billion better than in 2018. This resulted, among others, from the fact that tax revenue (taxes – gross) increased by EUR 3.412 billion compared to 2018. Expenditure grew less significantly.

The transfer expenditure was by EUR 1.336 billion higher than in 2018. This resulted essentially from higher expenditure due to subsidies to the ÖBB-Infrastruktur AG, universities and the Agrarmarkt Austria.

The positive net funding balance 2019 of the statement of financial position accounted for

+EUR 1.487 billion and was thus higher by EUR 0.972 billion than budgeted. This was largely thanks to higher net tax revenue and the early repayment by the Free State of Bavaria to the Federation in the framework of the general settlement concluded in 2015 as well as lower payments for interest on financial debts.

In the statement of assets, the debt of EUR 254.381 billion clearly surpassed the assets by EUR 103.644 billion. Consequently the balance figure shows negative net assets, which amounted to -EUR 150.736 billion as at

Assets (property)

Securities and other capital investments

EUR **10.05** million

Stocks

EUR **628.58** million

Liquid funds

EUR **3,441.42** million

Receivables

EUR **28,936.78** million

Equity interests

EUR **31,418.08** million

Fixed assets

EUR **39,177.18** million

Non-tangible assets

EUR **32.36** million

Negative net assets

EUR **150,736.17** million

Debts

Net financial debt

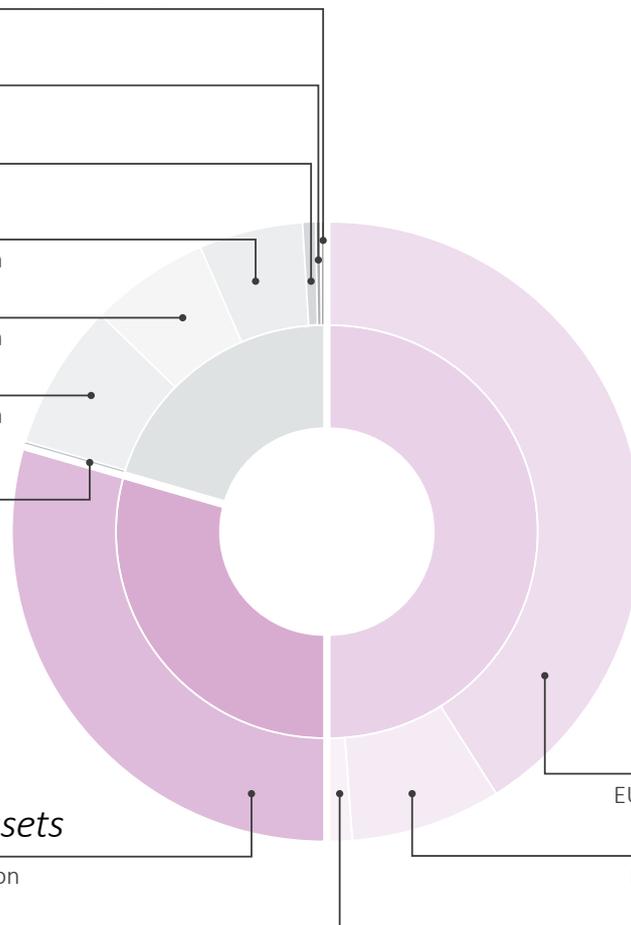
EUR **208,768.29** million

Liabilities

EUR **39,635.62** million

Provisions

EUR **5,976.72** million



Source: Institute for Advanced Studies, graph: ACA

31 December 2019 and improved by EUR 3.627 billion compared to the previous year. This improvement mainly resulted from the positive net result as well as from the subsequent valuation of equity interests, in particular in the ABBAG – Abbaumanagementgesellschaft des Bundes in the amount of +EUR 1.293 billion and the Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft in the amount of +EUR 0.642 billion.

In 2019, the financial debts of the Federation accounted for EUR 208.768 billion (52.4% of the gross domestic product); they were by EUR 2.888 billion lower compared to the previous year. The general public debt determined by Statistics Austria in September 2020 according to the provisions of the European Union encompasses the debts of the Federation, the provinces, the municipalities and the debts of certain organizational units. This resulted in debts totalling EUR 280.344 billion or 70.5% of the gross domestic product. In 2019, the general government surplus accounted for EUR 2.675 billion or 0.67% of the gross domestic product. The tax ratio was at 42.6% in 2019 compared to 42.3% in 2018.

As at 31 December 2019, the budget reserves totalled EUR 15.418 billion. This represents a decrease of EUR 0.244 million in comparison to the previous year.

Liabilities incurred by the Federation at the expense of future financial years amounted to EUR 124.344 billion. This included, among others, future interest payments of the Federation for financial debts accounting for EUR 54.829 billion.

The year 2020 was dominated by the COVID-19 pandemic. To overcome this crisis, measures

with financial implications for public finances were taken on a regular basis. The consequences on the medium-term development of public finances cannot yet be determined. Therefore, the ACA refrained from including a medium-term presentation in the Report on the Federal Financial Statements of 2019. The Report on the Federal Financial Statements 2020 will, however, strongly focus on COVID-19-related measures.

In the framework of drafting the Report on the Federal Financial Statements, the ACA carries out end-of-year audits. These highlighted that the error rate improved considerably in comparison to the previous years. The systematic audit activities led to several findings, e.g. to the inclusion of assets managed by third parties in the statement of assets, to a more detailed definition of transfers, to the evaluation of the consolidation system of the financial statements and to the coordination of a joint approach to the budgetary treatment of matters in federal accounting.

In the framework of a functional audit of the Federation's IT-supported debt management, the ACA audited the functionality, the processes as well as the internal control system with respect to the use of the IT process SAP Treasury in the area of federal financing. Among others, the audit activities led to findings about the automated checks of limits stipulated by law and the harmonization of the gross and net settlement of interests as well as of premiums and discounts in the operating statement and the statement of assets.

Simultaneously with the Report on the Federal Financial Statements 2019, the ACA submitted the report "Federal Budget Reserves" (volume Federation 2020/21) in June 2020.

As a result of this audit, the ACA particularly recommended:

- to resort to the withdrawal of reserves only in the case of unforeseeable events and to consistently include foreseeable withdrawals from reserves in the Federal Finance Act (Bundesfinanzgesetz), and
- to streamline the modus operandi for the withdrawal from reserves and to enable a more efficient administrative procedure.

In part, these recommendations took up recommendations from the external evaluation of the federal budget reform carried out in 2018. In the framework of the evaluation, it was, among others, recommended to redefine the responsibilities for drafting the Report on the Federal Financial Statements. To that effect, the then federal minister of finance and the president of the ACA submitted a short report to the spokespersons on budgetary matters of the parties represented in the National Council in autumn 2019. In this report, both argued for an institutional separation between the drafting and auditing of the Report on the Federal Financial Statements.

The ACA calls for the implementation of the results from the evaluation of the federal budget reform in order to make important processes of the budget management more efficient and transparent, and is willing to participate in this undertaking.

5.2 INCOME REPORTS

The preparation of the income reports is another special task. Pursuant to the Act on the Limitation of Emoluments (Bezügebegrenzungsgesetz), the ACA submits a report on the average incomes of the population at large – the so-called General Income Report – every other year. In the year following the submission of the General Income Report, the ACA furthermore presents the report on incomes in state-affiliated companies pursuant to the Federal Constitutional Law.

The most recent General Income Report was submitted by the ACA to the National Council, the Federal Council and all provincial parliaments in December 2020. This report provides an overview of the incomes of the Austrian population, broken down by employed, self-employed and retired persons, as well as by gender, industries, professional groups and functions. It provides data from the fields of agriculture and forestry, and compares private and public-sector incomes.



The ACA submitted the last survey on incomes at federal public-sector companies and institutions to the National Council in December 2019. To that effect, it had surveyed the average incomes at more than 400 federal companies and institutions. The data surveyed for 2017 and 2018 contain information on the incomes of supervisory board members, managing board members and managing directors, as well as employees.

5.3 COUNTERSIGNATURE OF FINANCIAL DEBTS

Financial debts are all financial liabilities of the Federation that are incurred to allow the Federation to have money at its disposal.

The federal financial debt amounted to EUR 233.459 billion as at 30 November 2020. In 2020, the Federation incurred financial debts in the amount of some EUR 52.102 billion as at 30 November. The significantly higher financing volume and the high number of borrowings compared to previous years resulted from the financing of the COVID-19 aid measures.

	2018	2019	2020
Federal financial debt documents (number)	59	62	196
<i>of which countersigned (number)</i>	52	53	195
Financial debts incurred (in EUR billion)	21.87	23.16	52.10

As at 30 November 2020 each

5.4 POLITICAL PARTIES ACT

The special tasks arising from the Political Parties Act (Parteiengesetz) are currently at the heart of public debate. For more information, see [chapter 1.3](#) "Political Parties Act and audit by the ACA".

5.5 MEDIA TRANSPARENCY ACT

The Media Transparency Act (Medientransparenzgesetz) is to create transparency in public-sector advertising and media collaborations. Every six months, the ACA must submit to the media authority KommAustria a list of all legal entities it is aware of and which are subject to its audits, stating their name and executive bodies. This biannual survey of executive bodies of such legal entities requires considerable resources and causes a considerable administrative burden both for the ACA and the legal entities concerned. This special task is a non-audit activity that restrains the ACA in performing its actual core tasks.

The ACA has repeatedly suggested measures to simplify the procedures regarding the enforcement of the Media Transparency Act. On the one hand, the ACA is in favour of the reporting duty of auditees as regards changes in data to be collected for the list of legal entities – such as name, address or executive bodies – as well as the creation of new companies. On the other hand, the ACA's periodic duty to survey and report on executive bodies to KommAustria should be abolished since it is not necessary for the publications pursuant to the Media Transparency Act. Most recently, the ACA reported the data of 5,689 legal entities to KommAustria in mid-2020.

5.6 INCOMPATIBILITY AND TRANSPARENCY ACT

The current Government Programme 2020-2024 contains an oversight and transparency package that also envisages an extension of the ACA's mandate to audit companies in which the public sector holds a share of 25% or more, listed companies excepted. The ACA considers the closing of this control gap as essential to strengthen democratic control and external public audit. The ACA also recalls that it had suggested such an extension of its audit remit as early as in 2003 in the framework of a fundamental state and constitutional reform. In this context, it had pointed to comparable competences of individual provincial audit institutions and to corresponding voting agreements, through which the public sector can exercise control over a company. However, syndicate agreements are often not known or accessible, which renders the proof of the audit remit – also in a possible proceeding before the Constitutional Court – difficult.

First analyses have shown that, from the current point of view, the extension of the ACA's audit remit, as envisaged by the current Government Programme, would result in up to 350 additional companies that would become subject to the ACA's audits. In this context, the ACA highlights that the resources required would further increase correspondingly.

Since 1983, all members of government at the federal and provincial level, and all state secretaries, must disclose their financial circumstances to the ACA president on taking and leaving office or else every other year.

The ACA president is held to report any unusual accumulations of wealth to the president of the National Council or the respective provincial parliament.

In this process, the ACA president acts in a notarial function, without being granted audit or oversight rights as to the material correctness or completeness of the data supplied.

In 2020, owing to elections and changes of government on the federal and provincial level, 84 persons had to be requested to disclose their financial circumstances. Therefore, this task causes a considerable administrative burden.

5.7 ADJUSTMENT FACTOR FOR POLITICIANS' EMOLUMENTS

The Act on the Limitation of Emoluments builds on a salary pyramid and provides for a multi-tier system of remuneration, from the federal president to members of the Federal Council graded according to function. In addition, it sets ceilings for the highest body of the Oesterreichische Nationalbank (central bank of Austria) and the highest-ranking officials of the chambers and of the social insurance providers.

The Act on the Limitation of Emoluments provides, as a special task, that the ACA shall promulgate the adjustment factor for the emoluments of public-sector officials on the basis of the law. By 5 December of each year, the ACA shall ascertain and promulgate the adjustment factor. For this, the ACA relies on the communications published by Statistics Austria and the Federal Ministry of Social Affairs.

This factor corresponds either to the inflation rate between July of the previous year until June of the current year or the current year's pension increase granted under the General Social Insurance Act (Allgemeines Sozialversicherungsgesetz), whichever is the lesser. Emoluments are then adjusted as of the 1 January of the following year.

For 2021, the ACA calculated a factor of 1.015, which was published on 3 December 2020 in the Official Journal of the Wiener Zeitung

The baseline amount – the gross emoluments for members of the National Council – there-

fore increased from EUR 9,091.64 (2020) to EUR 9,228.01 (2021).

In mid-December 2018, the National Council decided that top politicians – the federal president, members of the Federal Government and of the bureau of the National Council as well as heads of the parliamentary groups, the ACA president and ombudsmen and ombudswomen – would be excluded from the 2-per-cent increase in 2019. In order to ensure that the decision to refrain from any adaptations for this group in 2019 has a sustained impact, the baseline amount of 2018 (EUR 8,755.76) will be applied also for the emoluments for 2021. This baseline amount will be increased by the adjustment factor 1.015 (EUR 8,887.09).

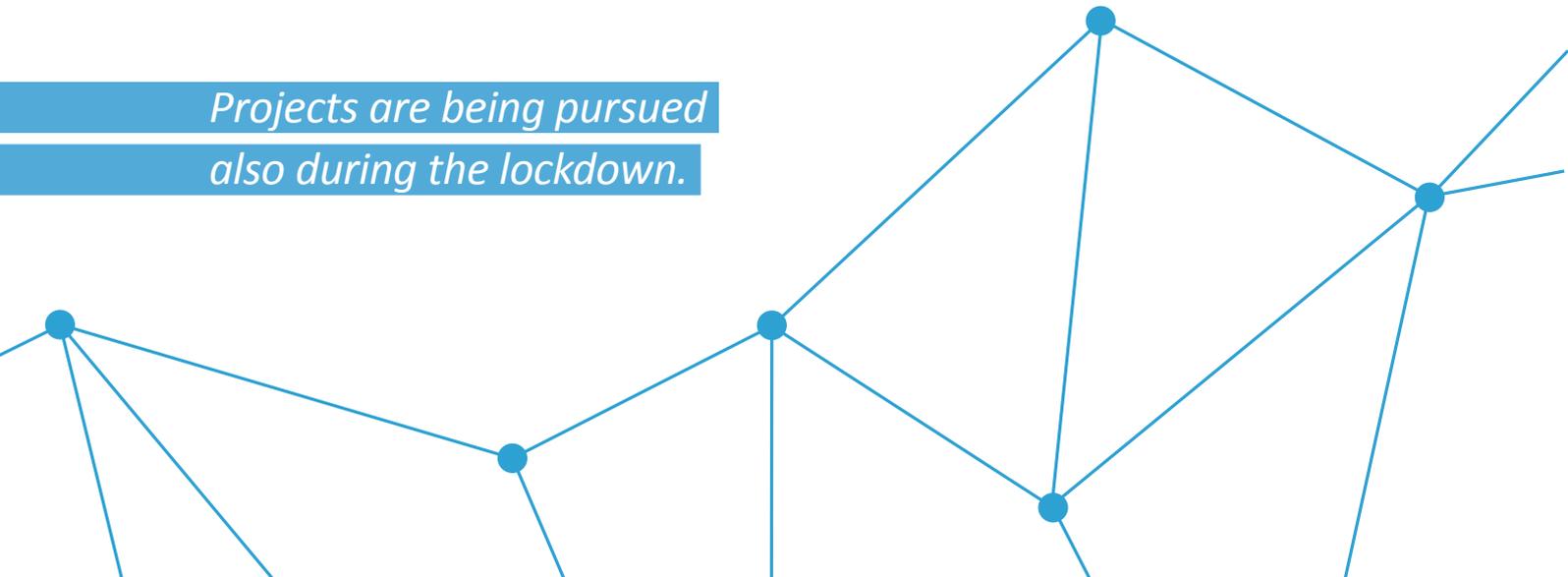
The National Council may provide by law for a regulation that deviates from the promulgated baseline amount (e.g. no increase of politicians' emoluments).

5.8 NO NEED FOR ACTION AS REGARDS TWO SPECIAL TASKS

No need for action arose for the ACA in 2020 with regard to two special tasks, namely the tasks pursuant to the Act on the Election of the Federal President – the next presidential election will take place in 2022 – and the ACA's obligation pursuant to the Austrian Stability Pact to provide an expert opinion if Statistics Austria detects sanction-relevant circumstances.



*Projects are being pursued
also during the lockdown.*



6 ACA – INTERNAL ORGANIZATIONAL STRUCTURE

6.1 DAY-TO-DAY OPERATIONS DURING THE COVID-19 CRISIS

In accordance with the provisions of the Federal Government, the ACA's staff members were largely working from home during the first lockdown from mid-March to April 2020 as well as during the second one in November 2020. As the ACA has been providing its staff members with telework opportunities since 2017, it could draw on appropriate experience and routine in this area. Thanks to its technical equipment – which was, compared with other federal offices – designed especially to facilitate mobile working – the ACA was able to act very quickly and consistently in setting up working spaces at home.

While working from home, the ACA leveraged videoconference tools to succeed in performing its tasks, in advancing or completing projects or in simply keeping in touch among each other and with the audited entities.

But also after the gradual return of its staff members to the office building, the ACA issued strict in-house regulations with regard to the COVID-19 pandemic, e.g. mandatory masks and social distancing rules. So-called mixed meetings were held, i.e. some staff members were at the office, while others joined via online tools from home. In September, the president established a COVID Task Force. It is charged with monitoring the latest developments in the COVID-19 pandemic in order to timely discuss suggested measures to not only ensure the safety of the

ACA's staff members, but to also simultaneously preserve the operability of the ACA.

In October, the planning conference for the audits to be performed in 2021 took place as a videoconference for the first time.

Since mid-March 2020, the ACA has also been offering its educational programmes entirely as online trainings via videoconferences. This decision was not limited only to internal professional trainings, further education programmes and management seminars organized by the ACA itself, but also concerned the joint certificate programme "Public Auditing" carried out in cooperation with the Executive Academy of the Vienna University of Economics and Business. The second semester of this certificate programme, which took place in spring, was entirely held online. In autumn, the third semester started at the campus of the Vienna University of Economics and Business. However, due to the second lockdown, it continued online from October on. The ACA's online professional training and further education programmes focused on trainings on videoconferences, leadership in times of social distancing, IT trainings, language courses, the ACA's summer school and specific seminars on audit-related topics.

In future, both online trainings and hybrid solutions (events in which some of the participants and presenters attend online, while some participate in person) will be used extensively.

6.2 ORGANIZATION

The ACA's organizational structure, which was introduced in mid-2018 and comprises four audit divisions and the Management and Administration Division, remained largely unchanged in 2020.

All divisions of the ACA reflect the knowledge and the experiences of its staff members. This is especially clearly illustrated by the 33 centres of excellence. They are responsible for addressing the subject matters entrusted to them based on their corresponding cross-cutting expertise. The aim is to expand expertise, to deepen the knowledge organization and to ensure the flow of information.

Especially during the tightened COVID-19 measures, in which on-site audits could not be performed, the audit departments seized the opportunity to strengthen and broaden their expertise in their respective areas and prepared, for example, guidelines. These activities and the related outcomes serve to ensure uniform and professional working methods.

The centres of excellence have been assigned the following tasks:

- build, strengthen and expand expertise,
- provide advice to audit teams and explain, discuss, assess and coordinate (cross-cutting) subject matters, and
- promote the internal and external exchange of information with experts.

Each centre of excellence is located in a specific department.

Centres of excellence at the ACA

Management and Administration Division

- Outcome-Oriented Budgeting and Equality
- Knowledge Management
- Reporting
- Civil Service and Remuneration Law
- IT Audit Methodology
- Matters Related to Missions and Workplace Health Promotion
- INTOSAI

Audit Division 1 (P1)

- Subsidies
- Federal Act on the Filling of Positions and Federal Regulation on Contract Schemes
- Audit Remits
- Anti-Corruption, Compliance and Risk Management
- Public Pensions and Cybersecurity
- Crisis Management
- Migration Issues

Audit Division 2 (P2)

- Construction Works and Procurement
- Quality of Municipal Services
- Real-Estate Transactions
- Structural Planning in Health Care
- Hospitals and Nursing Homes
- Social Insurance

Audit Division 3 (P3)

- Organization of the School System
- Organization of Tertiary Education
- Implementation of the United Nations Sustainable Development Goals
- Mobility Development
- Sustainable Spatial Development
- Deregulation in Businesses

Audit Division 4 (P4)

- Federal Budget Management and International Public Sector Accounting and Auditing Standards
- Financial Equalization and Financial Constitution, EU Financial System (ESA), Data Analysis and Data Interpretation
- Taxes and Tax Law
- Financial Management and Financing
- Public Corporate Governance, Public Sector Equity Interest Management and Equity Interest Strategy
- International Commitments Regarding Climate and Environmental Objectives
- Matters Related to the EU and EU Funding

6.3 OUTCOME TARGETS

Since the setting of so-called outcome targets was stipulated by law, the federal ministries and supreme bodies of the Federation have been required to define in a transparent manner which concrete added value they aim to achieve for the citizens with the budgetary funds available.

The ACA has set the following targets:

1. Providing effective audit-based advice to the National Council, the provincial parliaments and the audited entities
2. Establishing transparency on the use of public funds and the financial sustainability of the general government
3. Establishing transparency on the actual state of equality between women and men and on diversity
4. Increasing the ACA's impact, in particular through the cooperation with other audit institutions and through a modern knowledge management in the ACA

The ACA attaches great importance to the attainment of the outcome targets, the planned target values and the indicators with which it measures its success. In addition to the annual evaluation, it assesses on a biannual basis whether the measures defined

for target attainment are implemented and whether any control measures are necessary.

The biannual evaluation conducted in 2020 showed in general a considerable insecurity with regard to the attainment of the target values. This is due to several factors: the inability to exhaust the personnel plan due to a lack of financial resources, unexpected staff departures, and, in particular, adaptations that became necessary due to the COVID-19 pandemic, such as a delayed filling of vacancies, adaptations to the audit activities and the cancellation of national and international events.

Every three years, the ACA conducts a survey among the members of the National Council and the provincial parliaments. In doing so, it collects feedback on the quality of its performance, such as the topicality of the selected audit themes or the understandability of its reports. The ACA harnesses this feedback, which provides a good overview of the overall satisfaction with its work but also points to potential for improvement, to constantly develop further. As the National Council held its constituent session in autumn 2019 and worked at full capacity to adopt the measures to fight the COVID-19 pandemic in the first half of 2020, the ACA decided to carry out its survey in the fourth quarter 2020. The results of the survey are detailed in [chapter 1.4](#) of this report.



49

Average age of auditors



Share of university graduates at about 70%

regards compliance and the correct conduct in service. The staff members of the ACA are a role model in this regard. In order to raise awareness of this matter, the ACA revised its **Code of Conduct** in 2020. It contains guidelines for morally, ethically and legally correct conduct.

6.4 STAFF

As at 1 December 2020, 151 women and 149 men were employed at the ACA. The share of women has thus surpassed, for the first time, 50% and is clearly higher than the total share of women in public service. According to the Federal Equal Treatment Report presented in September 2020, the share of women in federal civil service was at 42.5% in end-2019.

The overall 300 staff members of the ACA equal almost 277 full-time equivalents.

About 70% of the staff members are graduates, some 82% work in an audit function. The average age was at slightly over 49 years in end-2020.

In its day-to-day work, the ACA sets high standards for the audited entities – especially as



6.5 BUDGET

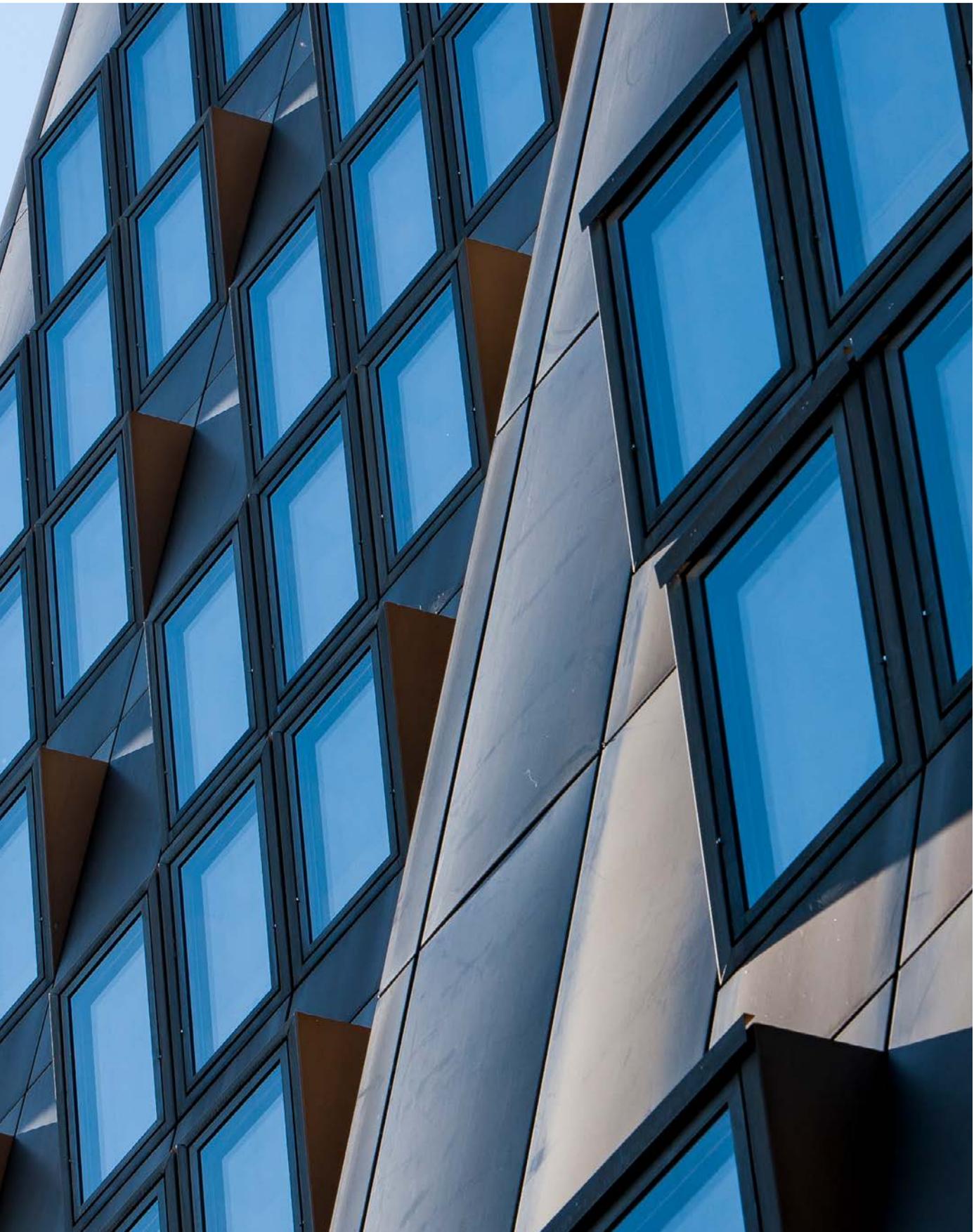
With a total of EUR 36 million, the ACA continued to operate on a tight budget in 2020. In 2021, its budget will only slightly be raised to EUR 36.5 million. In 2020, reserves amounted to some EUR 0.9 million. There was no need to withdraw from reserves in 2020.

The medium-term planning security of the ACA and a stable financial envelope are a prerequisite for high-quality auditing. Therefore, the president has repeatedly pointed to the need for adequate resource allocation and equipping the ACA with a realistic financial framework.

The ACA's budget is largely determined by its personnel requirements. Personnel expenses account for about 86.7% of the overall expenses. In 2020, the financing of 282.5 full-time equivalents was budgeted. Pursuant to the federal personnel plan, however, 323 posts are provided for the ACA. This means that the ACA is only able to exhaust the personnel plan to some 87.5%

The planned budgetary resources for 2021 do not allow to exhaust the plan any further. In order to secure the financing of the 282.5 full-time equivalents as well as to advance digitalization efforts, individual investments were postponed. The most significant investment project in 2021 will be the replacement of the hardware. New high-quality equipment and digital methods will continue to enable the decentralized, yet collaborative work of auditors.

The ACA aims at guaranteeing that its audit and oversight activities are of the highest quality at all events. Despite the fact that the government programme basically outlines, and numerous motions of the National Council call for, an expansion of the ACA's audit remit to enable, among others, the performance of audits of political party financing and public companies, its current budgetary resources would not allow for it.





INTOSAI – The organization’s working methods have been adapted substantially.

7 INTERNATIONAL AND NATIONAL COOPERATION

7.1 INTOSAI IN TIMES OF COVID-19

In its capacity as the General Secretariat of INTOSAI, the international umbrella organization of Supreme Audit Institutions (SAIs), the ACA had a demanding role in 2020. INTOSAI has 195 member SAIs worldwide. In 2020, the operations of SAIs and INTOSAI itself were heavily impacted by COVID-19. SAIs around the world had to revise not only their audit planning, but also their audit approaches and priorities.

Numerous SAIs face serious problems due to the lack of digital infrastructure or budget restrictions imposed by governments. The General Secretariat of INTOSAI is aware of the need to support these SAIs in order to ensure that they can fulfil their mandates and participate in the activities of INTOSAI.

The INTOSAI Policy, Finance and Administration Committee (PFAC) reacted very quickly to this need for support through its COVID-19 initiative and provided financial aid of EUR 700,000 from the INTOSAI surplus funds for

SAIs in need. The General Secretariat is closely involved in the implementation of the aid projects and transfers the funds in accordance with the applicable regulations. Already in May, for example, a COVID-19 website was established, which provides helpful information and resources for upholding the continuity of SAIs' operations and makes available relevant audit reports, audit methods and tools for remote work and online training. See: <https://intosaicovid19.org/>



INTOSAI substantially adapted its working methods and the calendar of its meetings. INTOSAI's bodies and member SAIs had to find new ways to collaborate in order to share information and knowledge. Numerous meetings had to be postponed first, and were eventually transformed from face-to-face to virtual meetings.

In these challenging times, regular communication between INTOSAI's bodies and its members has become especially important. The General Secretariat regularly informed the INTOSAI members about the latest developments through the INTOSAI website.

In order to continue the smooth operations of INTOSAI, the General Secretariat encouraged all committees and working bodies to continue the close exchange with their members by videoconferences and webinars.



Videoconference of the PFAC

Central issues such as remote auditing or the transformation of INTOSAI's operations to a more virtual mode were discussed in the framework of the virtual meetings of an INTOSAI COVID-19 expert group.

In the meantime, INTOSAI's working bodies have adapted their working methods to the changed circumstances very well. More than 40 INTOSAI meetings have already taken place in a virtual format. For the first time, INTOSAI's Governing Board meeting was also held via videoconference on 10 November 2020. The ACA, in its capacity as the General Secretariat of INTOSAI, hosted this annual meeting of INTOSAI's leadership in 2020. Although the agenda had to be slightly adapted due to the different time zones of the participants, all items could be discussed successfully. Furthermore, simultaneous interpretation into six languages was provided.

The COVID-19 crisis will also have a lasting impact on the working methods of INTOSAI. One of the tasks of INTOSAI and the General Secretariat – not only during this crisis, but also on the long term – will be to ensure a fast virtual exchange of experiences and knowledge between the bodies of INTOSAI and the member SAIs.

7.2 SUSTAINABLE DEVELOPMENT GOALS – IMPLEMENTATION OF THE SDGS

The COVID-19 pandemic has shown that strong and resilient institutions, as provided for by the Sustainable Development Goal (SDG) 16, have become more relevant than ever. The contribution of SAIs to the implementation of the SDGs has been one of INTO-SAI's top priorities also in 2020.

In its capacity as the SDG coordination and information platform, the INTOSAI General Secretariat organized an SDG coordination meeting in Vienna on 13 February 2020.

This meeting was attended by representatives of the most important global INTOSAI players involved in the SDG implementation process (the General Secretariat, the INTOSAI Chair, the Chairs of the Goal Committees, the INTOSAI Development Initiative (IDI), the Task Force on Strategic Planning, the Working Group on SDGs and Key Sustainable Indicators, the Working Group on Environmental Auditing as well as the Performance Audit Subcommittee).

The central outcome of the meeting was an action plan elaborated by the participants, which contains a list of measures to be taken until the next INCOSAI.

In March 2020, a pilot version of the IDI's SDGs Audit Model (ISAM) was published, which aims to provide practical guidance for conducting audits on the implementation of the SDGs. Based on ISAM, the IDI will support several cooperative audits linked to the SDG targets 3d (resilient national public health systems), 5.2 (elimination of intimate partner violence against women) and 12.7 (sustainable public procurement).

In July 2020, the new Working Group on SDGs and Key Sustainable Development Indicators, which was established in 2019 as the successor of the Working Group on Key National Indicators, held its first meeting per videoconference. In the framework of this first meeting, the members of the working group discussed the working group's philosophy, principles and future priorities as well as the impact of COVID-19 on auditing and on the implementation of the SDGs. The General Secretariat is also a member of the working group.

In order to promote the numerous audit activities of SAIs in reviewing the implementation of the SDGs, the INTOSAI General Secretariat has created an interactive online tool, which provides an overview of all the reports and publications prepared by SAIs around the world: the INTOSAI Atlas on SDGs (<https://www.intosai.org/system/sdg-atlas>).



The aim of this tool is to present the results of the SDG audits carried out by SAIs by means of an interactive world map. This map allows to zoom in on the individual countries to see how many SDG reports have been published to date. Furthermore, the detailed results show, in one or more of INTOSAI's official languages,

- the full SDG report,
- the type of the SDG audit (namely whether the audit concerned the institutional implementation of the SDGs in general or the implementation of a concrete SDG) and – if available – an executive summary,
- the central recommendations of the audit report, and
- the tools and methodologies used in the framework of the audit.

In addition to this global SDG atlas, numerous SDG-related activities have been undertaken by the Regional Organizations and working bodies of INTOSAI.

SDG IMPLEMENTATION IN AUSTRIA

On 15 July 2020, Austria presented its first voluntary report on the implementation of the SDGs in the framework of the High-Level Political Forum in a virtual format.

For the financial year 2021, the outcome targets of the different ministries outlined in the budget documents contain, for the first time, the indication of which SDG is to be promoted. Consequently, concrete SDGs have been attributed to the outcome targets in the Budget 2021. Thus, one of the ACA's recommendations issued in its report "United Nations Sustainable Development Goals, Implementation of the 2030 Agenda in Austria" (volume Federation 2018/34) was heeded.

In November 2020, this report was on the agenda of the National Council's Public Accounts Committee, in the framework of which the current developments regarding the implementation of the SDGs in Austria were deliberated.

7.3 EXCHANGE WITH OTHER AUDIT INSTITUTIONS

BILATERAL CONTACTS

Due to the COVID-19-related restrictions in 2020, the bilateral exchange with other audit institutions was more limited than in other years. Three heads of SAIs rendered a visit to the ACA:



Engaged in talks with Gareth Davies

In January, the Comptroller & Auditor General of the UK National Audit Office, Gareth Davies, visited the ACA. The meeting presented an opportunity for a lively exchange on a new audit methodology applied by the National Audit Office: mere fact-finding within the framework of so-called investigations. Gareth Davies also expressed an increased interest of the NAO to participate in INTOSAI after Brexit.



Visit of Aleksei Kudrin in Vienna

In February, Aleksei Kudrin, the Chair of the Accounts Chamber of the Russian Federation and the Chair of INTOSAI, visited the Secretary General to discuss topical INTOSAI-related matters, such as an amendment to the Statutes, forward-looking training programmes or the possibilities of a bilateral cooperation.

In September, the President of the State Audit Institution of the United Arab Emirates, Harib Al Amimi, travelled to Vienna. The main topic of discussion concerned the practical and strategic implementation of a Memorandum of Understanding concluded between INTOSAI and the United Nations Office on Drugs and Crime in 2019. In this context, the cooperation with the United Nations as regards the fight against corruption, the importance of the independence of SAIs or the implementation of the SDGs and the 2030 Agenda are to be given particular attention.

NATIONAL COOPERATION

The ACA attaches great importance to the cooperation with the provincial audit institutions and the City of Vienna Court of Audit. Thus, a conference is organized each autumn with the provincial audit institutions and the Austrian member of the European Court of Auditors to align the audit plans. Due to COVID-19, the last conference in November 2020 was held in the form of a videoconference.

As early as in end-June, a directors' conference was held in Klagenfurt, Carinthia, in which the directors of the Austrian provincial audit institutions and the president of the ACA took part. The directors exchanged, in particular, experiences on current audit topics and discussed issues related to the education and training of auditors. Other agenda items concerned, among others, data protection, concerns of citizens and electronic file systems.



Conference with the provincial audit institutions

An important priority of this cooperation is the joint basic training of auditors. The already fourth certificate programme "Public Auditing" started at the campus of the Executive Academy of the Vienna University of Economics and Business in October. In order to meet the COVID-19 prevention measures, the programme is largely carried out in the form of videoconferences. The students of

this three-semester programme come from different levels of public audit: from the ACA and from the provincial audit institutions of Burgenland, Carinthia, Lower Austria, Styria, Upper Austria and Vorarlberg and the City of Vienna Court of Audit. The province of Upper Austria is also represented by a member of the municipal audit institution. Furthermore, two participants work at the internal audit unit of the Federal Ministry of the Interior. For the first time, this audit-related exchange takes place across borders: one of the participants is an auditor at the Netherlands Court of Audit.



Vienna, December 2020

The President:

Margit Kraker



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