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Rechnungshof
Österreich

Unabhängig und objektiv für Sie.

Annual Report 2023

of the Austrian Court of Audit

WE AUDIT, INDEPENDENTLY AND OBJECTIVELY. AT YOUR SERVICE.

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PRELIMINARY REMARKS

On 29 December 2023, the Austrian Court of Audit submitted its Annual Report 2023:

pursuant to Article 126d para. 1 of the Federal Constitutional Law to the National Council (Federation 2023/40)

III–1076 of the Enclosures to the Stenographic Minutes of the National Council, 27th legislative period

pursuant to Article 127 para. 6 in conjunction with Article 127 para. 8 of the Federal Constitutional Law

Burgenland Parliament (Burgenland 2023/4)

Carinthian Parliament (Carinthia 2023/7)

Lower Austrian Parliament (Lower Austria 2023/5)

Salzburg Parliament (Salzburg 2023/7)

Styrian Parliament (Styria 2023/8)

Tyrolean Parliament (Tyrol 2023/9)

Upper Austrian Parliament (Upper Austria 2023/8)

Vienna Municipal Council (Vienna 2023/9)

Vorarlberg Parliament (Vorarlberg 2023/5)

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Annual Report 2023

of the Austrian Court of Audit

Major challenges call for a long-term perspective.

Looking back always offers the opportunity to pause for a moment, to reflect and sometimes marvel at what has happened over time. An annual report, as I understand it, highlights the work that has been done. Not everything can be mentioned. Yet, it provides an overview of much of what happened at the Austrian Court of Audit (ACA) in 2023, a very eventful year posing major challenges for the public sector. While the COVID-19 pandemic was officially declared over, inflation and a decline in economic output massively impacted the national budget. Governments on the federal and provincial level need to take the right measures in order to make life easier for citizens and to keep public services to a high standard. This requires targeted measures that are well-coordinated and tailored to meet real demands.



For quite some time now, the ACA has been trying to live up to the increased expectations about state auditing by using a comprehensive audit approach: the audit portfolio 2023 still features some COVID-19 audits and a dedicated issues paper published by the ACA (“COVID-19 | Rechnungshof. Mehr.Wert” (“COVID-19 | The.ACA’s.Added.Value”)) as well as audits on future challenges that require long-term thinking beyond legislative periods. Besides an audit on the sustainability of the pension system, these include audits in connection with spatial planning, the energy transition and climate protection. In the age of digitalization, the functionality of the administration is as much a priority as the reorganization of public authorities, such as the boards of education. In addition, there are crosscutting topics of high relevance to our society, such as violence and victim protection for women.

The avoidance of conflicts of interest, compliance management of public entities as well as corruption prevention occupy an important position in the ACA’s work. These areas must be held to a strict standard as they are crucial for generating trust in institutions.

In order to devote more attention to financial resources, the ACA published a debt report as part of the Federal Financial Statements for the first time in 2023. The report is meant to draw attention to the fact that we have to manage tax money very carefully. Overly generous increases in expenditure are a long-term burden on public finances. In this regard, the ACA calls for restraint since we will continue to need funds for reform initiatives, needs-based financial support as well as investments in the future, and we need to adopt a long-term perspective. The demographic development also incurs costs for the state given that the public sector is in need of qualified staff in many areas in order to continue to provide its services. At the same time, the public sector must always ensure efficiency and effectiveness, which we consider to be of great importance.

The coming year is going to be an eventful one for our democracy. It is going to be an election-intensive year, including the election of a new National Council. Despite all the fierce competition, I would like to see political leaders also talk about the positive aspects of our country on which we can build. This would benefit the political opinion-forming process. The ACA, too, talks about positive aspects. In my opinion, it is positive that the ACA's reports are always discussed at length with the members of government in a very constructive climate in the public accounts committee. I would like to take this opportunity to express my gratitude to them.

What is even more positive, however, is that we live in a highly developed democracy, in which the ACA can carry out its tasks independently and without having to take criticism or approval of its activities into account. This is a solid foundation for the future.

Margit Kraker

President of the Austrian Court of Audit

The ACA
at a glance

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Priorities 2023



Auditing and advising



The ACA's recommendations
facilitate its impact



CONTENTS

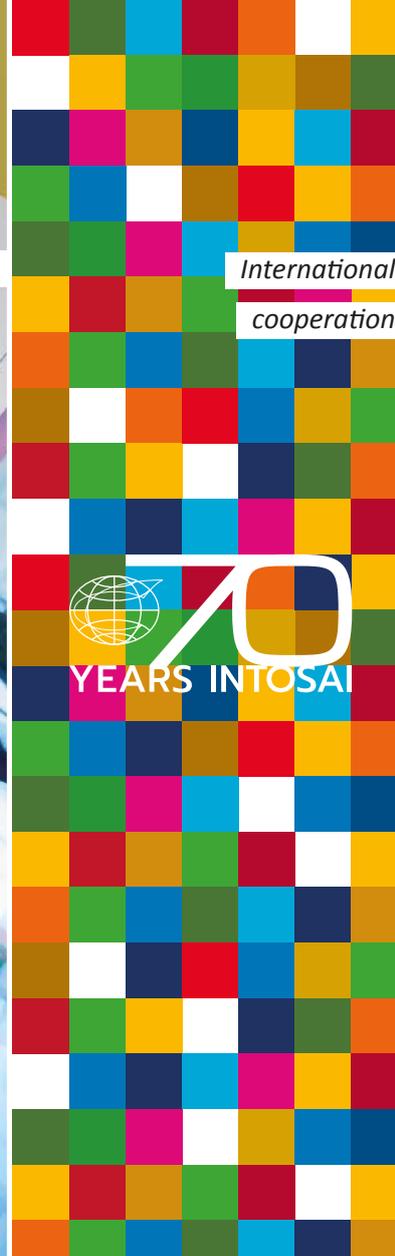
Preface	2	2. Auditing and advising	45
The ACA at a glance	6	2.1 Auditing	45
1. Priorities 2023	9	2.2 Reporting	46
1.1 Next Generation Austria	9	2.3 Special audits	49
1.2 Public finances and need for federal budget reform	22	2.4 Advisory committee activities	56
1.3 Compliance and anti-corruption: There is still a lot to do.	27	2.5 IT support for auditing	61
1.4 Restoration of the Parliament building	32	2.6 Public relations	63
1.5 The ACA's Added Value	37	2.7 High approval rates for the ACA's work	65
1.6 70 years INTOSAI and 60 years INTOSAI General Secretariat at the ACA	39	3. The ACA's recommendations facilitate its impact	67
		3.1 Enquiry on the degree of implementation of the recommendations issued in 2022	68
		3.2 Qualitative evaluations	70
		3.3 Follow-up audits 2023	81



Consultation
on draft legislation



Special tasks



International
cooperation



ACA – internal
organizational structure

4.	Consultation on draft legislation	89	6.	International cooperation	114
4.1	Federation	90	6.1	Regular exchange at the international level	114
4.2	Provinces	91	6.2	International audit mandates	116
4.3	Selected comments	92			
5.	Special tasks	99	7.	ACA – internal organizational structure	119
5.1	Report on the Federal Financial Statements	99	7.1	The ACA in figures	119
5.2	Income Reports	102	7.2	Organization	120
5.3	Countersignature of financial debts	104	7.3	Personnel	120
5.4	Political Parties Act	105	7.4	Training and knowledge management	122
5.5	Act on the Election of the Federal President	110	7.5	IT security at the ACA	124
5.6	Media Transparency Act	111			
5.7	Adjustment factor for politicians' emoluments	111			
				Annex: Follow-up enquiry	
				https://www.rechnungshof.gv.at/rh/home/wirksam/wirksam/Nachfrageverfahren_und_Follow-up-Ueberpruefungen1.html	

The ACA at a glance



Austrian Court of Audit (ACA)

In addition to its core functions – auditing and providing advice –, the ACA has numerous other tasks.

Independent and objective. At your service.

What are the ACA's competences?

It is competent to audit around **5,800 legal entities:**

- public entities, institutions, foundations, funds at the federal, provincial and municipal level,
- companies with a public share of at least 50 per cent as well as
- social insurance providers and chambers.

These audits are performed by **303 staff members.**

What impact do its recommendations have?

88.7%

degree of impact
follow-up enquiries

69.6%

degree of impact
follow-up audits

What does the ACA wish to achieve?

Transparency on the use of public funds

Effectiveness of the use of public funds

Cooperation with other audit institutions

Awareness of equality and diversity

What does the ACA do?

5 requested special audits

reports submitted to representative bodies in 2023

7
published statements of accounts submitted by political parties

50

Report on the Federal Financial Statements

163 financial debt documents countersigned

Income survey

number of ongoing audits **82**

8

published follow-up audits

93 donations to political parties published in accordance with the Political Parties Act

Priorities 2023

- *Next Generation Austria*
- *Public finances and need for federal budget reform*
- *Compliance and anti-corruption: there is still a lot to do*
- *Restoration of the Parliament building*
- *The.ACA's.Added.Value*
- *70 years INTOSAI and 60 years INTOSAI General Secretariat*

2022

YEAR



1. PRIORITIES 2023

1.1 NEXT GENERATION AUSTRIA

With its medium-term audit priority “Next Generation Austria – are we passing on something besides debt to the next generation? On the future role of the state for the next generation.”, the ACA puts special emphasis on the sustainability of governance and the use of funds by the public sector in the interest of intergenerational justice. The priority is all about meeting the growing challenges: about sustainable public finances, about future-related promises to the youth, about overdue structural reforms, about a proper citizen-friendly administration in the age of digitalization and about reinforced measures to fight corruption. In line with its outcome target of “Establishing transparency on the use of public funds and the financial sustainability of the general government”, the ACA assesses the effectiveness of the use of public funds by the Federation, the provinces, the municipalities, the municipal associations and their associated companies as well as the social insurance providers and chambers. It strives to ensure a whole-of-government view on public finances. In doing so, the ACA contributes to the United Nations’ Sustainable Development Goal 16.6 “Develop effective, accountable and transparent institutions at all levels”. The following explanations on the ACA’s reports published in 2023 are examples of audits carried out within the scope of the selected priority.

BOARDS OF EDUCATION – A ONE-STOP SHOP IN THE PROVINCES?

Simplifying public administration should be an ongoing endeavour at all levels of government in order to be able to provide citizens with efficient and transparent services. The ACA’s report on “Boards of Education” (volumes Federation 2023/3, Burgenland 2023/1, Carinthia 2023/1, Lower Austria 2023/1, Salzburg 2023/1, Styria 2023/2, Tyrol 2023/1, Upper Austria 2023/2, Vienna 2023/1, Vorarlberg 2023/1) analyses the establishment of the boards of education in the provinces as joint school authorities encompassing both the federal and provincial level in 2019. On behalf of the citizens, the ACA examined whether reorganizing the school authorities actually resulted in the simplification of public administration along the lines of a “one-stop shop”, pointed to areas where action is still needed and deduced recommendations for improvement from its audit.

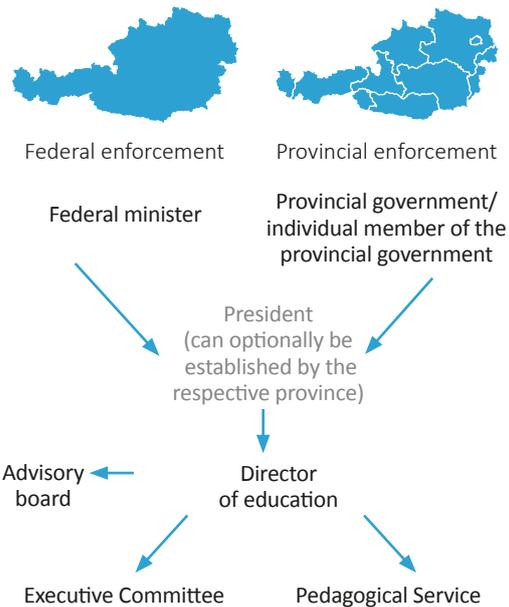


A one-stop shop allows you to complete all the necessary bureaucratic steps for a certain goal in one location. In Austria, this is often hindered by the fragmentation of competences. In accordance with its outcome target of “Establishing transparency on the use of public

funds and the financial sustainability of the general government”, the ACA has repeatedly highlighted this topic in its reports over the past years. The ACA is the only body with the audit remit to provide an overall view spanning the federal, provincial and municipal level.

Education Reform Act 2017

One of the main objectives of the Education Reform Act 2017 (Bildungsreformgesetz 2017) was to reorganize the school authorities by establishing the boards of education as so-called “mixed public authorities”, something that had never been done before. They were tasked with enforcing both federal legislation (the so-called federal pillar) as well as provincial legislation (the so-called provincial pillar).



Sources: Art. 113 Federal Constitutional Law; Boards of Education Establishment Act; graph: ACA

The Federation and the provinces created public authorities that were, in principle, responsible for enforcing all legislation pertaining to the school and educational system in the respective province. However, the fundamental problem – i.e. the fragmentation of competences in the school system – was not

resolved, which led to numerous problems and challenges for the formation and establishment of the boards of education.

Tasks of the boards of education

As newly established school authorities, the boards of education largely took on the tasks of the former provincial school boards as well as the Municipal School Board for Vienna and, in part, the tasks of the provincial school departments. Even though the Boards of Education Establishment Act (Bildungsdirektionen-Einrichtungsgesetz) defined the board of education as the sole authority essentially executing all matters pertaining to the school and educational system, some key matters were excluded from execution by the boards of education: agricultural and forestry schooling remained under the responsibility of the Federal Ministry for Agriculture, Forestry, Regions and Water Management and/or the provinces, and the central teacher training institutions remained under the responsibility of the Federal Ministry of Education, Science and Research. The areas of kindergartens and after-school care continued to fall under the competence of the provinces.

However, the federal constitutional legislature allowed for the possibility of conferring further tasks to the boards of education by way of an authorization in Article 113 para. 4 of the Federal Constitutional Law (Bundes-Verfassungsgesetz). The provinces made use of this optional transfer of tasks to varying degrees. While Upper Austria conferred, for instance, kindergartens and after-school care, agricultural and forestry schooling and the execution of the Education Investment Act (Bildungsinvestitionsgesetz) relating to the funding of all-day school types to the Upper Austrian board of education, other provinces, such as Burgenland, Styria or Vienna, chose a more restrictive

path and conferred only a few additional competences besides the mandatory tasks. These inconsistencies meant that, at times, there continued to be different points of contact for the same school-related matters throughout Austria.

Governance of the boards of education

In performing their tasks, the directors of education were bound by the instructions of the competent federal minister or the provincial government/the competent member of the provincial government, depending on the area of execution. This, too, was a spillover effect of fragmented competences. The ACA saw these parallel instruction relationships as problematic and complex, leading to a potential for conflicts of interest and of loyalty concerning the respective other supreme authority at federal or provincial level.

In overarching matters, such as the board of education's internal service, the directors of education were bound by the consensual instructions of the competent federal minister and the provincial government/the competent member of the provincial government. This complicated lawful execution. In one instance in spring 2021, the Salzburg board of education was given contradictory instructions on the provincial staff members working at the board of education, by the Minister of Education on the one hand and the Office of the Salzburg Provincial Government on the other hand.

Financial management

The aim of the education reform of 2017 was to establish the boards of education in a cost-neutral manner. Due to the organization of the boards of education as mixed public authorities, which execute both federal and provincial legislation and are thus made up of two accounting entities, there was no overall

financial view. Because of the differing areas of responsibility of the boards of education described above and because cost accounting had not yet been introduced at the time of the audit, it was impossible to draw direct comparisons between the provinces. However, in Burgenland, Carinthia, Lower Austria, Tyrol, Upper Austria and Vienna, there was a trend towards an increase in expenditure and thus a need for additional funds following the establishment of the boards of education. The mandatory resource, target and performance plans that had to be drawn up by the boards of education were not yet being used effectively as a governance tool. In some cases, they contained incomplete information on the financial resources of the provincial executive and failed to include key figures for assessing the expenditure of the boards of education. The governance tools – cost accounting as well as the resource, target and performance plans – should be used in order to achieve cost neutrality by gauging and achieving savings.

The projects to establish the boards of education incurred expenditure totalling EUR 1.83 million at federal and provincial level. Expenditure for external advisory services amounting to EUR 1.45 million represented the lion's share of the total expenditure for both the federal project and the provincial projects.

Reorganization of educational regions and school supervision: school quality managers

The establishment of the boards of education also engendered the reorganization of the educational regions throughout Austria. Burgenland established only one educational region due to its small pupil numbers. Despite large numbers of pupils and teachers, Vienna opted for a governance structure made up of only two educational regions. In the other provinces, the number ranged between two

and seven, with Styria being the only province to have seven educational regions.

The ACA noted that the school quality managers, the former school inspectors, fulfilled their task in different ways. In urban educational regions, they were responsible for significantly more pupils than in rural areas. The desired cross-school type school supervision had not yet been fully implemented and partly mirrored the structure of the “old” school supervision.

Overall, the ACA saw a need for action in order to increase the homogeneity and efficiency of the board of education as a mixed public authority.

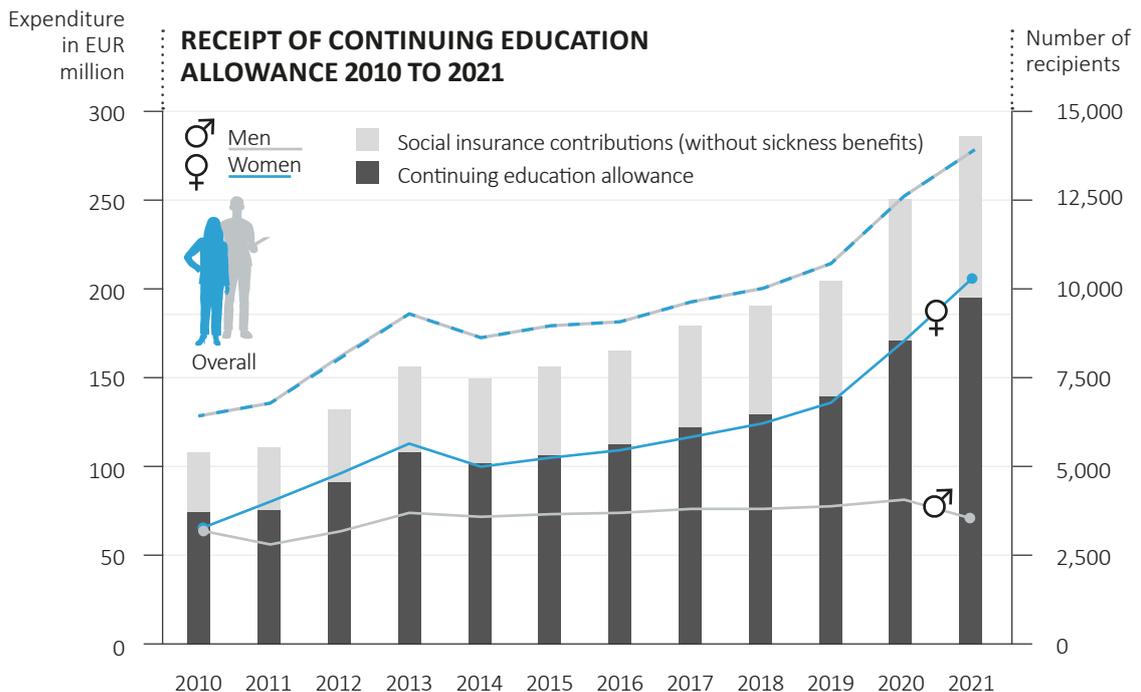


EDUCATIONAL LEAVE

Educational leave while receiving continuing education allowance is a labour market policy instrument that supports the education and training of persons already in employment and is financed with funds from the unemployment insurance scheme. It allows employed persons to take up to one year’s leave for the purpose of education and training; while on educational leave, the person receives a continuing education allowance, which is equivalent to unemployment benefits and generally amounts to 55 per cent of the previous net income.

In 2021, an average of around 14,000 persons made use of educational leave, which incurred expenditure amounting to around EUR 300 million. Between 2010 and 2021, the number of recipients of continuing education allowance doubled and expenditure tripled.

The ACA audited the instrument of educational leave (while receiving continuing education allowance) within the scope of its audit priority; the aim was to assess whether the instrument was aligned with the needs of the labour market and whether its implementation ensured that financial resources were used in a targeted and accurate manner. It published its results in the report on “Educational Leave” (volume Federation 2023/11).



Sources: Austrian Public Employment Service; Federal Ministry for Labour and Economy; graph: ACA

The ACA acknowledged the general suitability of educational leave (while receiving continuing education allowance) as an instrument to help individuals progress in the labour market as well as to create a societal benefit for the business location. However, it noted that the requirements for the verifiable training and further education courses were so low in terms of duration and content that educational leave could also be used for courses that require little effort and are not very relevant for the labour market, as well as for “time off from working” financed by public funds.

Educational leave tended to be used more often by persons whose level of education was already high. A significant portion of recipients were not in employment one year after their educational leave had ended (30 per cent of women and 25 per cent of men). The income of two thirds of allowance recipients had not improved one year after their educational leave.

The low requirements for the further education programmes within the framework of educational leave were increasingly well-known. The use of the instrument increased continuously. The trend in the number of people taking educational leave highlighted that there was a need to put greater emphasis on the instrument’s labour market benefits.

The ACA therefore recommended to revise the legal basis, in particular with a view to implementing a more ambitious commitment to further education. Furthermore, it recommended to at least request a certificate of attendance for the further education programme, which confirms the start and end dates, the number of hours and any absences.

SUSTAINABILITY OF THE PENSION SYSTEM

The Austrian pension system has to establish a dynamic balance between economic growth, increased life expectancy, varying labour force participation rates between women and men as well as different birth rates. In doing so, it has to ensure a reasonable level of benefits for pensioners on the one hand and a reasonable burden for the labour force on the other hand. The ACA also addressed this topic within the scope of its audit priority and published its results in the report on “Sustainability of the Pension System” (volume Federation 2023/29).



By introducing the pension account, the pension reform of 2004 was supposed to overcome the challenges posed by increased life expectancy and decreased birth rates. No automated pension calculation algorithm was

used for further adjustments; instead, a commission was set up. Among other things, the Old-Age Security Commission (Alterssicherungskommission) was supposed to prepare reports every three years on the long-term development and financial viability of the pension system as well as to propose measures and/or changes to the system if necessary. However, the Old-Age Security Commission did not fulfil this assignment in key respects: for lack of capacity to act, the commission was unable to prepare the so-called “long-term report” (Langfristgutachten) planned for 2017; the delayed 2021 expert report did not contain any explicit statement on the sustainability of the pension system; the criteria for assessing sustainability were outdated, and their analysis was no longer entirely comprehensible. At the time of the audit, the post of the chairperson of the commission was once again vacant. The commission did not make any recommendations regarding the further course of action. Despite the limited viability of the Old-Age Security Commission, the Federal Ministry of Social Affairs, Health, Care and Consumer Protection did not take any alternative measures.

Between 2005 and 2021, the pension law was significantly amended a total of 29 times. For a great number of measures, financial explanations were non-existent or implausible. The measures did not follow a consistent strategy, in particular with regard to governing the retirement age and early retirement. As part of the 2003 and 2004 reforms, pension adjustment was suspended in the first year after retirement. Between 2008 and 2010, it was reintroduced; in 2011 it was once again suspended. For the years 2019 and 2020, it was introduced anew, and as of 2021, it was finally converted into an aliquot adjustment in the first year in the statutory pension insurance scheme.

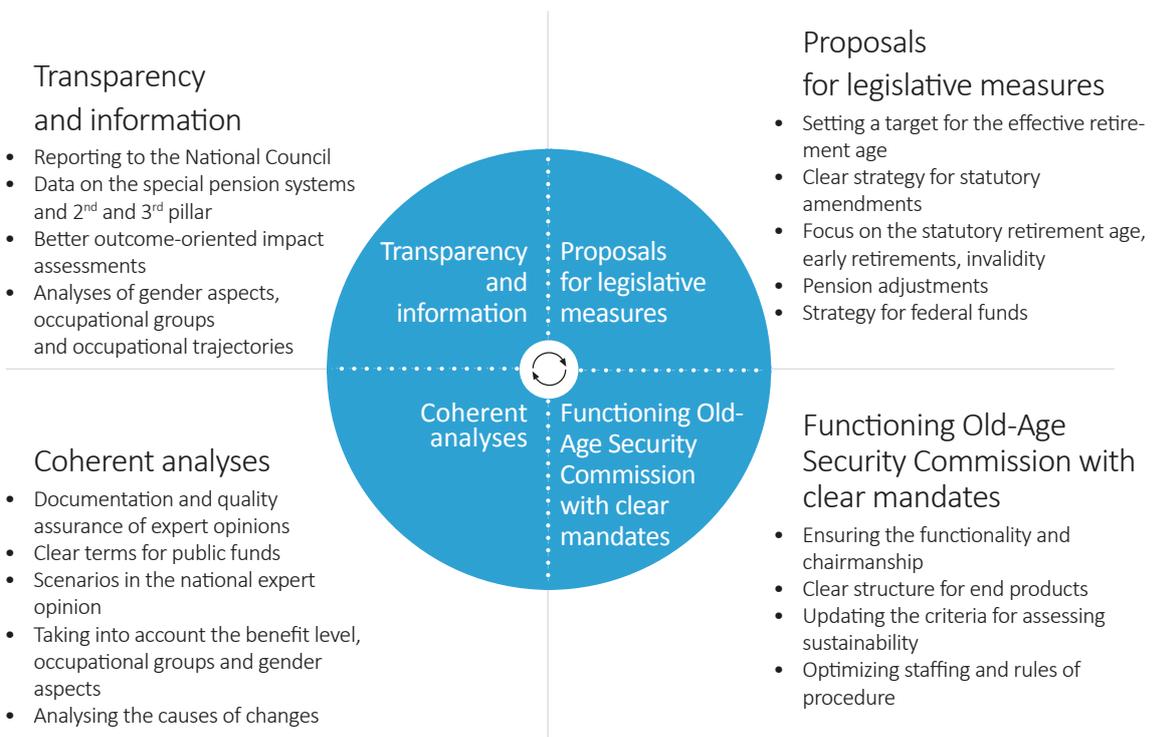
The pension increases did not follow the long-term plans stipulated by law either: only two times since 2005 have pensions been increased as planned – with an adjustment factor geared to the consumer price index. In addition, amendments to pension law adopted in the period from 2005 to 2022 resulted in additional expenditure compared to the legal situation in 2004. As of 2036, expenditure will continue to increase – in particular due to the reintroduction of the exemption from deductions for early retirement pensions and the early starter bonus. These measures were adopted in the period from 2019 to 2021.

The retirement age – a significant factor for the mid- and long-term sustainability of the pension system – increased by almost three years in the period from 2004 to 2021. It was thus roughly in line with the international average as regards men but significantly lower for women in connection with the late alignment with the statutory retirement age for men. However, forecasts predict that the effective retirement age will stagnate as of the mid-2030s, following the completion of the harmonization of the statutory retirement age for women, despite life expectancy increasing. This reflects the absence of a strategy for managing the retirement age in the future. Increasing the effective retirement age and, if need be, also the statutory retirement age would be a significant policy option.

According to the Fiscal Advisory Council, the sustainability of the pension system is not secured in the long term due to increasing demographically induced expenditure. However, the Old-Age Security Commission did not address this topic in its decisions, nor did it propose any reform measures. There were no specific criteria for assessing whether the pen-

sion system was sustainable. In the ACA’s opinion, its sustainability would have to be assessed using at least four substantive criteria: equity in terms of contributions and benefits for individual insured persons, the provision effect for typical occupational trajectories (sufficiently high pension), stability of the national economy (incentives to work, attractiveness of the business location etc.) and the

sustainability of the federal budget should be guaranteed. Furthermore, it should be ensured that a functioning process is in place in order to identify undesirable developments and take consistent countermeasures. Applying these criteria, the ACA was of the opinion that the dimension of the federal budget posed a considerable risk in combination with the other strains.



Sources: Statistics Austria; Federal Ministry of Social Affairs; WIFO; graph: ACA

VIOLENCE AND VICTIM PROTECTION FOR WOMEN

According to the recent “Prevalence Study on Gender-specific Violence against Women in Austria” (“Prävalenzstudie zu geschlechtsspezifischer Gewalt gegen Frauen in Österreich”), about one in three women over the age of 15 has experienced physical and/or sexual violence. The ACA wanted to make a contribution in order to raise awareness of this nation-wide problem and carried out an audit on the topic of “Violence and Victim Protection for Women” (volume Federation 2023/21) at the Federal Chancellery (Directorate General for Women), the Federal Ministry of the Interior and the Federal Ministry of Justice.

Violence and victim protection for women is a cross-cutting matter, for which several federal ministries and the provinces share responsibility. The Federal Chancellery’s Directorate General for Women was responsible for coordinating the measures on a national level, but it had no legal competences in key areas and disposed only of limited financial resources to implement overall strategic objectives. However, the ACA considered it essential that strategic priorities and related objectives for the mitigation of violence against women be defined in collaboration with the competent ministries and/or the provinces.

The ACA positively noted that the financial resources for violence protection had been increased within the scope of the national action plan, the current Government Programme as well as the Anti-Violence Package 2021, among other things, and that targeted measures had already been taken. However, they were focussed on protecting women from violence once concrete risks had manifested, which is why the ACA deemed it expedient to take more preventative measures with a sus-

tainable impact in the area of societal awareness raising, for example in the spheres of education, health and integration.

The infographic features a background image of a woman's face and a hand raised in a 'stop' gesture. The text is as follows:

We audit. INDEPENDENTLY AND OBJECTIVELY. AT YOUR SERVICE.

VIOLENCE AND VICTIM PROTECTION FOR WOMEN

Fact:
The **sound collection of evidence** as close to the time of the **offence as possible** is of particular relevance in order to **safeguard victims' rights**.

Recommendation:
Clinical forensic medical examination centres should be established in a timely manner **across Austria**.

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In suspected cases of domestic violence, it was essential for first-responding staff members of the executive to assess the risk as accurately as possible and, if necessary, to take immediate measures, such as issuing protection orders or mobile restraining orders. However, a specialized support service available twenty-four seven that would provide them with a firm ground for action was only available in Vienna. The Federal Ministry of the Interior should therefore ensure that a qualified and structural support service is available nationwide.

In addition, the ACA saw potential for increasing the quality in connection with the organization of so-called case conferences. These conferences could be organized by the security authorities based on their own risk assessment or at the suggestion of victim protection centres. The objective was to develop and efficiently coordinate protective measures for high-risk cases in collaboration with the relevant authorities and institutions. However, there were no uniform criteria for the assess-

ment of high-risk cases and the handling of such case conferences. Accordingly, the ACA's recommendations to the Federal Ministry of the Interior addressed the provision of a standardized, scientifically sound risk assessment tool and the definition of guidelines for the handling of case conferences.

Especially in cases of domestic violence, it was particularly relevant to preserve evidence of injuries and/or violence close to the time of the offence. To address the existing challenges of obtaining forensic medical expertise in a timely manner, the audited entities should create the framework conditions for the nationwide establishment of Clinical Forensic Medical Examination Centres available twenty-four seven in collaboration with the ministries relevant to their establishment.

The provinces, which are responsible for providing protected shelters and women's shelters, used different funding and quality assurance instruments. Reliable nationwide data on the need for and actual availability of places at women's shelters was not available. In order to provide women affected by violence with the necessary assistance, regardless of their whereabouts, the ACA considers it essential to define nationwide uniform minimum requirements and quality standards as well as to generate uniform and valid data on the availability of places and indicators on the actual need.

ELECTRONIC PROOF OF IDENTITY

In its report on "Replacement of the Citizen Card/Mobile Phone Signature by the Electronic Proof of Identity (E-ID)" (volume Federation 2023/7), the ACA examined the electronic proof of identity introduced by the E-Government Act (E-Government-Gesetz) in 2017, which was intended to align the technical concept of the citizen card/mobile phone signature with more recent technological developments. The purpose of the electronic proof of identity is first and foremost to clearly identify a person using online services on the internet as well as to verify the authenticity of an application filed electronically with a public institution.

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REPLACEMENT OF THE
CITIZEN CARD/MOBILE PHONE SIGNATURE
BY **THE ELECTRONIC
PROOF OF IDENTITY (E-ID)**

Fact:
Too many services were outsourced to external providers.

Thus, the competent **ministries** placed themselves
in a position of **high dependency.**

Recommendation:
This **dependency** should be **reduced.**

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In 2018, the Federal Ministry for Digital and Economic Affairs as well as the Federal Ministry of the Interior agreed to split the task of developing the electronic proof of identity between them. However, the two ministries failed to set up an overall cross-ministerial project management, an overall project organization and a control system at management level. As a result, there was no overall overview of the project contents, the implementation status, the timelines or the project cost. This increased the risk of prolonging the project duration and exceeding payout limits.

The electronic proof of identity included the following improvements over the citizen card (mobile phone signature): the use of smartphones for e-governance applications, an expanded range of functions, interfacing with administrative registers and compliance with higher security requirements. In terms of security, improvements were achieved by making use of biometric authentication, not saving personal data locally and using secure hardware components. However, the complex and heterogeneous system architecture of the electronic proof of identity posed an increased risk for the operational safety and resilience of the overall system. In April 2022, there was no overall operating concept that also took fail-safe operation into account.

The amendment to the Federal Ministries Act (Bundesministeriengesetz) dated July 2022 transferred the responsibility for the development of the E-ID system/ID Austria from the Federal Ministry for Digital and Economic Affairs to the Federal Ministry of Finance.

The ACA recommended that a cross-ministerial project structure appropriate for the scope of the project be established when implementing interministerial IT projects in the future. The aim should be to plan and implement project commissioning, project management, project teams, budget planning, controlling, personnel deployment as well as risk management in a standardized manner, sharing the responsibility and making use of synergies to the greatest possible extent. The competent ministries should collaborate with the trusted service provider and the Austrian Federal Computing Centre (Bundesrechenzentrum GmbH) to develop an operational concept for the electronic proof of identity with particular consideration of IT security.

HOHE TAUERN NATIONAL PARK

Alongside the climate crisis, the biodiversity crisis represents another global challenge of our time. The conservation of biodiversity is among the core tasks of the Austrian national parks. Against this backdrop and in view of its audit priority “Next Generation Austria”, the ACA audited the “Hohe Tauern National Park” (volumes Federation 2023/18, Carinthia 2023/3, Salzburg 2023/4, Tyrol 2023/7).



The Hohe Tauern National Park is the oldest national park in Austria and the largest national park in the Alpine region. More than a third of all plant species and around 50 per cent of all animal species recorded in Austria are found there.

The national park extends across the three provinces of Carinthia, Salzburg and Tyrol. Each province established its national park area at a different point in time and created its own province-specific administrative structure, which led to the national park's very complex organizational structure with a variety of committees and advisory boards. This impeded efficient and targeted administration and management of the national park in a manner that is aligned across provinces. Reorganizing the

national park with a uniform structure encompassing both the Federation and the provinces as well as with a uniform management, for example by establishing a limited liability company (Gesellschaft mit beschränkter Haftung; GmbH) jointly owned by the three provinces and the Federation, could be a corrective measure.

In order to protect the environment and conserve biodiversity, at least 75 per cent of the national park's core area was to be free from economic exploitation, with the exemption of extensive sheep and goat grazing as well as wildlife management. Only the Tyrolian part of the national park attained this target. The provinces of Carinthia and Salzburg should develop strategies to expand the exploitation-free area.

The provinces were able to create these exploitation-free areas by using nature conservation contracts, which provide compensation payments to authorized users of the land in exchange for waiving their right to use the land, for example for grazing or hunting. These contracts were generally limited to nine or ten years and had to be repeatedly extended. Incentives for longer contract terms should be created to safeguard the exploitation-free areas in the longer term.

The Hohe Tauern National Park also experienced the effects of the climate crisis, such as accelerated melting of glaciers, thawing of permafrost soils and increased pressure on animal and plant species adapted to high mountain regions to adjust. Two controversial projects in the national park, the new construction of a mountain shelter in the so-called "Gamsgrube" with a rockfall gallery for the panorama trail leading to it as well as the Oberer Pinzgau flood protection project with the construction of

flood retention basins in the national park's core area, were linked to the climate crisis.

PROCESSING OF THE CLIMATE BONUS AND THE ENERGY COST CREDIT

The climate bonus (including the anti-inflation bonus) and the energy cost credit of 2022 were measures taken by the Federal Government in order to relieve citizens from the effects of rising cost of living, in particular when it comes to energy costs. The transfer volume of the climate bonus amounted to around EUR 4.098 billion and of the energy cost credit to around EUR 378.75 million. The Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology was responsible for the climate bonus, the Federal Ministry of Finance was in charge of the energy cost credit. Shortcomings in the processing led to numerous inquiries and complaints made by citizens.

The ACA audited the processing of these two benefits ("Climate Bonus and Energy Cost Credit – Processing" (volume Federation 2023/36)). In the audit process, it became apparent that the climate bonus and the energy cost credit had similar objectives and a similar processing period but significantly differed in terms of their processing and design. The effects of these differences were reflected in the greatly divergent processing costs per transaction and the different payout rates to the beneficiaries.

The processing of the energy cost credit proved to be much more cost-intensive than the climate bonus: the costs per transaction for the energy cost credit were around three times higher than for the climate bonus, and the energy cost credit was also significantly more cost-intensive in terms of the ratio of processing costs to the total transfer volume. There-

fore, the project management of the energy cost credit should be evaluated, and the results should be used as a basis for possible future projects.

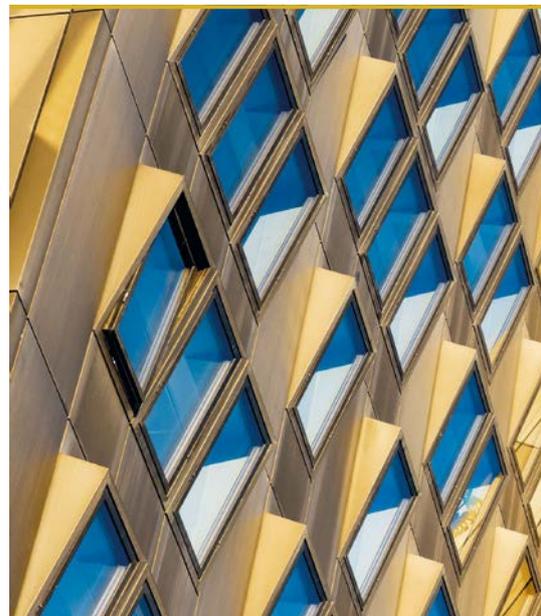


As far as the climate bonus is concerned, payout via bank transfer was considerably cheaper than delivery of vouchers by post: the voucher option accounted for 15 per cent of the transfer volume but for 81 per cent of the processing costs. From an economic efficiency perspective, but also for the sake of citizen friendliness, the ACA considered it indispensable for further measures to be put in place to increase the bank transfer rate of the climate bonus.

99 per cent of eligible persons received the climate bonus, while only 63 per cent of households deemed eligible received the energy cost credit in the audited period. In contrast to the climate bonus, the energy cost credit could thus only partly provide the intended relief. There were many reasons for this: they ranged from the complicated application process and delivery problems to the underlying design of the eligibility requirements.

A key factor was the type of processing: while the climate bonus was disbursed without the need for an application, the energy cost credit required an application. Future measures to reduce the burden on the population should focus on making it as easy as possible to claim benefits as well as on achieving a high level of effectiveness for the target groups as quickly as possible. The ACA considered the application-free processing of the climate bonus a suitable approach that would ensure that the receipt of public benefits is as accessible and citizen-friendly as possible.

Despite different types of processing, both benefits required data queries and access to register data. Missing or deficient data bases led to considerable difficulties in some cases. Hence, the ACA highlighted the need for high quality data sources as a basis for application-free procedures but also for designing targeted benefits.



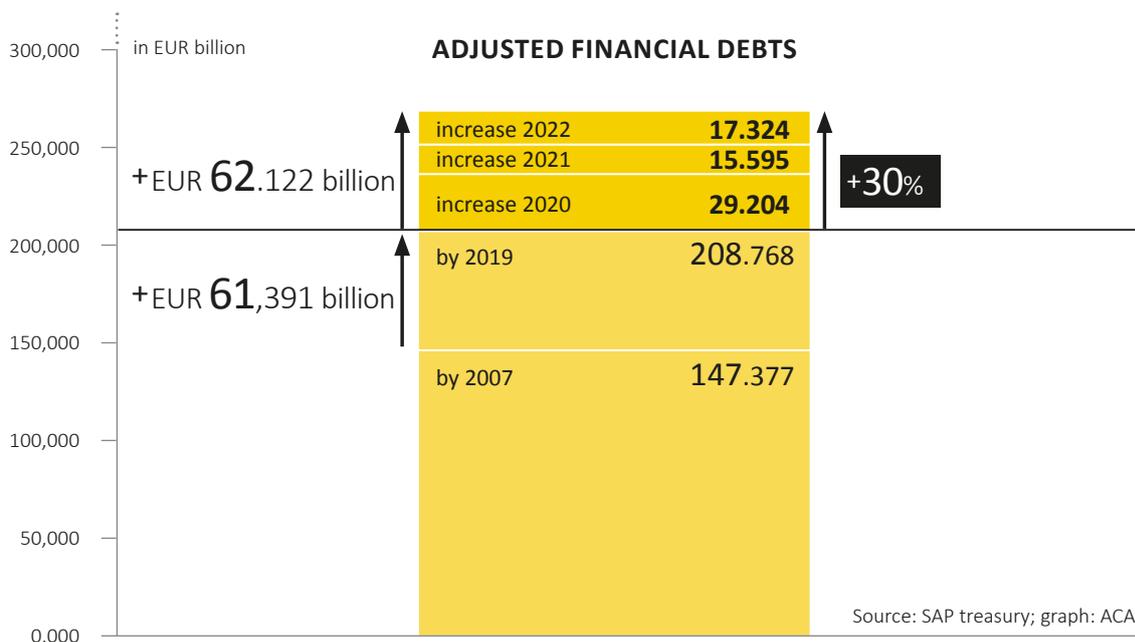
1.2 PUBLIC FINANCES AND NEED FOR FEDERAL BUDGET REFORM

Within the scope of its medium-term audit priority “Next Generation Austria – are we passing on something besides debt to the next generation? On the future role of the state for the next generation.”, the ACA addresses public finances with a particular focus on debt (and its development). For the first time, the ACA reported on debts, liabilities and the development of public finances in a separate volume.

The Federation’s adjusted financial debts increased by a total of EUR 62.122 billion or by around 30 per cent to EUR 270.890 billion (60.5 per cent of the gross domestic product) within just three years – from the end of 2019 to the end of 2022. Against the backdrop of the COVID-19 pandemic, the war in Ukraine and the substantial rise in inflation, debts increased more sharply than in the period from 2007 to 2019 when the financial crisis had to be overcome.

On average, 35 per cent of borrowing was required to meet the high deficits from 2020 to 2022. In the period from 2012 to 2019, this share amounted to an average of 12.7 per cent. The average real interest rate applicable to the debt portfolio reached its lowest level in the observation period in 2021 and 2022, when it was at 1.2 per cent.

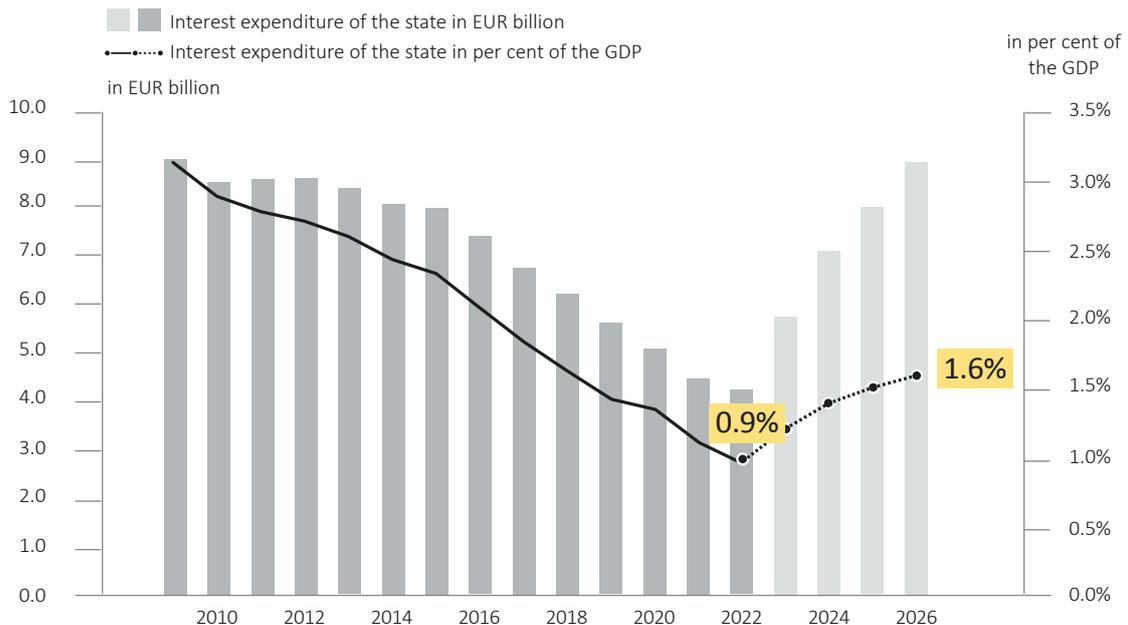
The obligations for future fiscal years (initial financial burden) and the outstanding obligations from the fiscal year 2022 totalled EUR 137.523 billion. This amount comprises in particular the Federation’s future interest payments for financial debts accounting for EUR 53.127 billion and the payments of the Federation under the grant contracts concluded with the ÖBB-Infrastruktur AG amounting to EUR 20.014 billion. In addition, the Federation was liable for capital and interest in the amount of EUR 100.114 billion as at 31 December 2022 – its liabilities were thus lower by EUR 4.614 billion than in 2021.



The general government deficit 2022 determined by Statistics Austria in September 2023 amounted to 3.5 per cent of the gross domestic product. This was an improvement of 2.3 percentage points compared to 2021 (-5.8 per cent of the gross domestic product). Due to the various crises, the general public debt increased sharply for the third consecutive year; however, the public debt ratio decreased from 82.5 per cent of the gross domestic product in 2021 to 78.4 per cent of the gross domestic product in 2022 by virtue of the strong nominal growth of the gross domestic product (+10.4 per cent).

However, the Federal Ministry of Finance’s 2022 long-term budget forecast until 2060 predicts a further increase in the public debt ratio, based on the assumption that the current policies will continue unchanged. The forecast integrates demographically induced expenditure in particular (e.g. pensions, old-age care, unemployment) but also expenditure for meeting the climate targets as well as interest expenditure, which proves to be an expenditure driver in the long term due to the changed interest rate environment. In the forecast period (baseline scenario), interest expenditure alone will increase to 4.7 per cent of the gross domestic product (following 0.9 per cent in 2022 and 1.6 per cent forecasted for 2026, see graph). Thus, the public debt ratio is also moving away from the Maastricht criterion of 60 per cent of the gross domestic product in the long run.

DEVELOPMENT OF INTEREST EXPENDITURE



Sources: Austrian Stability Programme 2022 to 2026 (Federal Ministry of Finance), Statistics Austria; calculation and graph: ACA

The budget for 2024, which was adopted by the National Council in November 2023, assumes a federal administrative deficit of around EUR 20.9 billion or 4.13 per cent of the gross domestic product. It is EUR 3.8 billion higher than the amount budgeted for 2023. The general public Maastricht balance for 2024 is expected to stand at -2.7 per cent, i.e. just within the 3 per cent limit. The general public debt ratio, estimated to be 76.4 per cent of the gross domestic product, remains unchanged in 2024 compared to 2023 and is only expected to fall to 76.1 per cent by 2027 according to the federal budgetary framework. The interest burden is expected to double from 0.9 per cent to 2.0 per cent of the gross domestic product in the period from 2022 to 2027.

The ACA thus stresses the need for progress on structural reforms and the creation of room for manoeuvre in terms of fiscal policy in order to put the budget on a sustainable trajectory. At the same time, climate measures are indispensable for meeting climate targets and securing the energy supply. A nationwide pro-reform consensus would need to be reached by setting objectives across all levels of government, in particular in the areas of old-age care and healthcare. The broad inflation relief measures as well as the temporary financial aid measures would need to be assessed as to their sustainability; it should be ensured that they are demand-oriented, targeted and accurate. The ACA has made recommendations in these areas in numerous reports.



NEED FOR A FEDERAL BUDGET REFORM

Transparent public finances depend to a large extent on the applicable (budgetary) legal provisions. Ten years ago, on 1 January 2013, the second stage of the federal budget reform entered into force, i.e. budgeting and accounting have been based on these provisions for ten years now. Among other things, this reform aimed at improving the transparency of public finances. The ministries and supreme bodies, including the ACA – as the external public audit institution –, have gained extensive experience with it. In addition, the results of a comprehensive evaluation of the federal budget reform are available.

Against this backdrop and in order to resume the discussions on further developing budgetary law, the ACA organized an event centred on the “Need for a Federal Budget Reform – Transparency and State of Public Finances” in the Austrian Parliament on 4 July 2023. Around 100 guests were invited, among them the spokespersons on budgetary matters, the public accounts committee’s spokespersons as well as experts in the fields of budgeting and finance.

“A diligent state must have the maxim of spending every euro in a targeted and demand-oriented manner. The aim is to give taxpayers the certainty of responsible handling. This strengthens trust in the state,” ACA President Margit Kraker explained in her opening speech.

A new budget structure and reporting system for increased transparency, the integration of impacts and benefits into the budget as well as integrated double-entry accounting records with a cash flow statement, an operating statement and a statement of financial position were the cornerstones of the federal budget reform. The one-year budget planning horizon

was replaced by binding multi-year planning. The federal budget reform was therefore not only intended and designed to be a mere reform of the Austrian accounting system but was also meant to introduce a “cultural shift” to the entire federal administration and also to politics.

Accordingly, the event explored whether the Federation spends taxpayers’ money effectively and whether the accounting records show this clearly and transparently. Budgetary law represents a significant benchmark for the ACA’s audit activities. The ACA plays a special role in the transparency and auditing of public finances. Against the backdrop of the economic consequences of the COVID-19 pandemic and the war in Ukraine, it questions, among other things, to what extent the current budgetary law is able to depict “crises” with sufficient transparency and whether it provides the necessary flexible framework.



Based on its expertise, the ACA – as well as the Federal Minister of Finance Magnus Brunner and Helmut Berger, Head of the Parliamentary Budget Office, – identified a need for further reforms.

One specific issue discussed at the event was whether the opportunity of forming reserves from unused funds could actually reduce the

so-called December fever in a sustainable manner. This refers to the increased volume of pay-outs made in December in order to deplete the annual budget. In her remarks on this subject, Helga Kraus, division head at the ACA, reminded the guests of the recommendations made by the ACA in its report on the reserve system. The relevance of mid-term planning was also discussed.

Gabriel Felbermayr, Head of the Austrian Institute of Economic Research (WIFO), reported extensively on macro-economic developments and long-term economic forecasts. On these subjects, he said: "The future is extremely uncertain. All the more reason to take precautionary measures today in order to be prepared for the future." Helmut Berger highlighted the National Council's important role in the budget process. "Further reforms are required. Ten years on, we should address this as a matter of urgency," said Federal Minister of Finance Magnus Brunner. Lessons learned from the last crises should be incorporated into the next reform steps.

As regards the Federal Financial Statements 2022, the ACA noted, among other things, that the constant growth of the budget reserves was due to an overly generous reserve system. In addition, new accounting topics – such as recognizing the benefits of digitalization expenditure – should be addressed, and more importance should be attached to accounting for new items.

In her closing remarks, Margit Kraker highlighted the so-called triangle of responsibility in budgetary law, which consists of the Federal Ministry of Finance, the Parliament and the ACA: the ministry submits the draft budget, the Parliament adopts the Federal Finance Act (Bundesfinanzgesetz) and the ACA audits the Federal Financial Statements. The interaction between these three significant players is governed by the Federal Organic Budget Act (Bundeshaushaltsgesetz). Further developing this act in the light of ten years of experience should be in the interest of all bodies involved in the budget process.



1.3 COMPLIANCE AND ANTI-CORRUPTION: THERE IS STILL A LOT TO DO.

The ACA perceives itself as a key player when it comes to contributing to intensified anti-corruption measures and to raising awareness of compliance in the public sector. The publication of its reports ensures plausibility and transparency, an essential foundation for people living in Austria to have confidence in an objective, factual and rule-based performance of tasks by the public sector.

In 2023, the topics of corruption prevention, risk management, compliance with statutory and other regulations, functioning internal control systems and identifying conflicts of interest continued to be at the heart of the ACA's activities. About half of its reports addressed these topics.

Corruption, mismanagement and self-serving actions aimed at personal gain negatively affect the business location. Furthermore, they reduce public confidence in the objectivity of the public administration and, as a consequence, in the rule of law and democracy. Against this backdrop, external public audit institutions bear a heavy responsibility with regard to transparency and accountability. At the beginning of January 2023, the ACA therefore established its new audit unit "Parties and Compliance", which places special emphasis on transparency, anti-corruption and good governance. Furthermore, this newly established audit unit covers the ACA's additional competences as regards the 2022 amendment to the Political Parties Act (Parteiengesetz), which aims at bringing more transparency to the financing of political parties.

Last year brought about (another) Corruption Criminal Law Amendment Act (Korruptions-

strafrechtsänderungsgesetz), which introduced so-called ex ante corruption – which involves candidates for public offices accepting, demanding or being promised advantages for official acts in the future – as a criminal offence.

Within the scope of the consultation process, the ACA issued a comprehensive expert comment and pointed to weaknesses in the provision: for instance, officials who obtain their functions without a dedicated procedure (such as secretaries general, supervisory board members of public companies) are exempted from the new rules. Furthermore, criminal liability only arises if the person concerned actually obtains the office sought. The Whistle-blower Protection Act (Hinweisgeber-Innenschutzgesetz) transposed the requirements for the protection of whistle-blowers stipulated by EU legislation into national law (in February 2023). In accordance with the statutory requirements, the ACA set up an internal reporting office, to which information can be submitted (anonymously if desired) via an electronic reporting system.

In 2023, the ACA put special emphasis on the areas of procurement and sales, which are exposed to very high corruption risks: for instance, it was revealed that the Federal Ministry of Education, Science and Research (still) did not have a full overview of the procurement activities in its ministry. This was particularly notable since the ACA had already pointed to the need for comprehensive procurement controlling in 2017 (and again in 2021) ("School Operation during the COVID-19 Pandemic" (volumes Federation 2023/24, Vienna 2023/5)).

Likewise, the Vienna Health Association did not have standardized rules for executing award procedures, its procurement controlling exhibited structural deficits, etc. – despite an award volume of around EUR 630 million (from 2010 until the end of the first quarter of 2021, for procuring medical equipment and advisory services) and a high concentration on a small number of contractors (“Vienna Health Association – Contract Awarding Practice in the Areas of Medical Technology and Advisory Services” (volume Vienna 2023/7)).

However, close attention to transparency is required even in cases where the public sector acts not as a buyer but as a seller of assets (e.g. companies or shares in companies, real estate): the ACA’s analyses showed that significantly higher proceeds can be generated by means of public searches for interested parties than through direct sales.

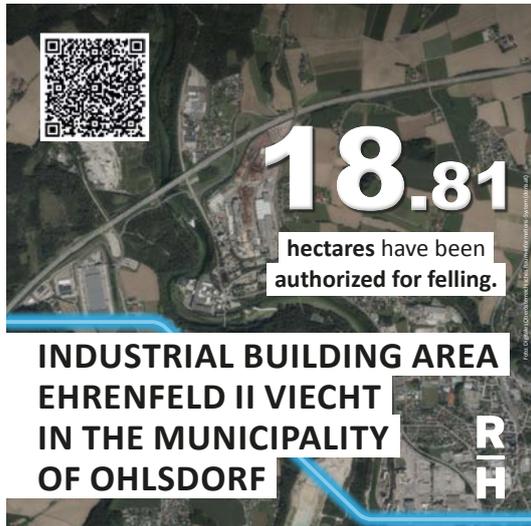
The ACA critically noted that the ÖBB-Immobilien GmbH made half of its 309 property sales directly, the Post AG around one quarter of its 21 property sales. In doing so, the two infra-

structure companies missed out on significant revenue potential. For instance, the surplus proceeds generated by the ÖBB-Immobilien GmbH amounted to an average of 64 per cent above the appraisal value after public searches for interested parties but only to an average of 2.5 per cent in the case of direct sales (“Compliance – Corruption Prevention in Real Estate Transactions: ÖBBI-Immobilienmanagement GmbH and Österreichische Post AG” (volume Federation 2023/14)).

If the resale of a property by the buyer is foreseeable in the near future, the purchase agreement should include an overage clause in order to be able to share in potential further sales proceeds. In the case criticized by the ACA, a private company acquired properties from the Bundesforste AG (Austrian Federal Forests) and the ASFINAG and subsequently resold them to a real estate company, generating surplus proceeds amounting to EUR 12.20 million.

The Bundesforste AG had not included an overage clause in the agreement, although it was aware of the private company’s intention to resell the plots of land in the near future

("Industrial Building Area Ehrenfeld II Viecht in the Municipality of Ohlsdorf" (volumes Federation 2023/34, Upper Austria 2023/6)).



In its report dated December 2022, the ACA had already established that the Bundesforste AG needed to improve its compliance management system, in particular due to the risk of economic or reputational damage caused by non-compliant behaviour with regard to real estate administration. Among other things, the ACA identified shortcomings in the areas of compliance organization – there was no compliance officer –, training and with regard to "Real Estate Administration by the Österreichische Bundesforste AG" (volume Federation 2022/38)).

Structural risks were also revealed when reviewing the "Land Use Designation Procedures of the City of Vienna" (volume Vienna 2023/6): in this context, the ACA noted that land use designation and land use planning falls under the responsibility of the public administration and has to be clearly distinguished from coordination and contract negotiations with property owners and project developers. In a case criticized by the

ACA, the city of Vienna sold a property for EUR 261,400 to Wien Holding GmbH in 2010, which resold it for EUR 350,000 on the same day. The city of Vienna later changed the land use designation and land use plan, and a private company eventually sold the property for EUR 7 million in 2018. However, the original purchase agreement did not contain an overage clause. The city of Vienna should therefore hedge its property sales against future increases in value resulting from changes to the land use designation in the form of corrective payments.



Company sales should also only be made on the basis of transparent calls for tender free of discrimination and conditions, and the public company should be sold to the highest bidder ("Sale of the FMB Facility Management Burgenland GmbH" (volume Burgenland 2023/3)).

Furthermore, it was revealed that the handling of potential conflicts of interest and outside employments of public officials represents a recurring – and problematic – issue: for example, the reporting system for outside employments established at the Film Academy Vienna

did not function properly (“Film Academy Vienna” (volume Federation 2023/12)).



At the Federal Ministry for Arts, Culture, the Civil Service and Sport, the head of the division responsible for the federal sports promotion scheme held the role of vice president of an international sports federation; the ministry did not assess whether there was a conflict of interest or whether the significant interests of the service were at risk (“Federal Sports Promotion Scheme; Follow-up Audit” (volume Federation 2023/20)). Likewise, cases emerged in the Office of the Styrian Provincial Government that suggested an inadmissible intermingling of public and private interests (“Compliance with Environmental Impact Assessment Procedures in Styria” (volume Styria 2023/6)). In all cases, the ACA urged that the shortcomings identified be remedied swiftly; in particular, core tasks of the public administration have to be performed by the competent authorities themselves.

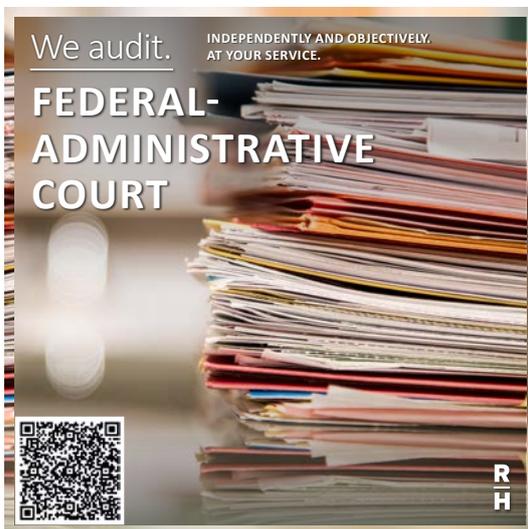


These findings prompted the ACA to launch a separate audit on the handling of outside employments and outside activities in mid-2023.

The ACA also considered international developments to be remarkable in 2023, in particular the report of the Council of Europe’s Group of States against Corruption (GRECO) on “Preventing Corruption and Promoting Integrity in Central Governments (Top Executive Functions) and Law Enforcement Agencies”, which was published in March 2023. It emphasized the importance of the ACA’s tasks and activities in the area of corruption prevention and referred to the content of several reports and recommendations contained therein (e.g. “Administrative Sponsorship and Donations in Selected Federal Ministries” (volume Federation 2021/13); “General Secretariats at the Federal Ministries” (volume Federation 2021/12); “Register for Lobbying and Interest Representation” (volume Federation 2019/45); “Disciplinary Regulations for Federal Employees” (volume Federation 2019/48)). A central recommendation of the group of states is to establish freedom of information and a general right of access to official documents in law – something the ACA also considers overdue.

In 2023, the European Commission referred to the ACA's activities in its report on the rule of law in Austria in connection with the appointment of the president and the vice president of the Federal Administrative Court. In its report on the "Federal Administrative Court" (volume Federation 2023/5), the ACA noted the lack of formal involvement of the collegiate administration of justice in the appointment – in contrast to the ordinary courts. It considered filling vacancies in an objective, verifiable and transparent manner to be essential, for example for ensuring that the appointed person has the relevant qualifications. This could be achieved, for instance, by deploying judicial staff committees and making binding proposals for the positions of president and vice president of the Federal Administrative Court in order to bolster citizens' confidence in objective, independent and unswayed court decisions.

With this in mind, the ACA will continue to support the further development of those systems that are intended to ensure objective, factual and rule-based fulfilment of tasks by the public sector. This includes regulatory as well as organizational improvements; particular attention should always be paid to areas that are exposed to a high risk of corruption (e.g. procurement). In this context, inputs from international organizations, such as the Group of States against Corruption (GRECO), should be adequately taken into account.



1.4 RESTORATION OF THE PARLIAMENT BUILDING



The Parliament building located on the Ringstraße boulevard in Vienna is the seat of both the National Council as well as the Federal Council and forms the centre of Austrian democracy. The National Council, the Federal Council and the Parliament Administration are housed in the historic building on the Ring as well as in outbuildings, some of which are owned by the Parliament and some of which are rented. The National Council and the Federal Council hold their meetings in the National Council Chamber and the Federal Council Chamber respectively; as the Federal Assembly, they meet in the historic Imperial Council Chamber. The Parliament building also houses meeting rooms (e.g. for committees) and office spaces. In addition to these spaces for day-to-

day operations, the Demokratikum in the agora, the auditorium and the forum provide visitors with information on parliamentary democracy and political work in the Austrian Parliament.

The historic Parliament building was constructed in the period from 1874 to 1883 according to the plans of Theophil Hansen. Following severe damage during the Second World War, the Parliament building was reconstructed from 1945 to 1956. After routine maintenance work, from 2000, the building underwent a more extensive overhaul, including the full renovation of the quadrigas on the roof of the building, the rebuilding of the ramp area after having suffered massive damage, the creation of a new visitor entrance and visitor area.

During an architectural competition for the realization of the refurbishment of the National Council Chamber, the Parliament realized in 2009 that there was a considerable need for restoration of the entire Parliament building and that modernizing just one part of the building would not be sensible. Due to the structural condition of the National Council Chamber as well as changes in user needs and regulations (e.g. accessibility, acoustics, equipment of workstations), conversion and restoration of the Parliament building were urgently required. In February 2010, the contract for the development of an overall restoration concept, which was then submitted in February 2011, was awarded. In June 2011, Barbara Prammer, former president of the National Council, initiated the preparations for the restoration of the Parliament building. At the same time, she ensured that the ACA audited the individual project steps in a timely manner.

In 2012, the ACA carried out its first audit and published the related report on “Restoration of the Parliamentary Building – Planning Project” (volume Federation 2012/11). In the same year. Among other things, it made a total of 145 recommendations pertaining to harmonizations, additions, wording changes as well as necessary definitions in the tender documentation for the award of “project management services with partial project lead services”, “accompanying control services” as well as “general planning services”.

In January 2014, the executive bureau of Parliament unanimously decided – in accordance with the decision-making basis submitted in November 2013 – to undertake a sustainable restoration and a complete relocation during the conversion of the building. The Act on the Restoration of the Parliament Building (Parla-

mentsgebäudesanierungsgesetz), which formed the legal basis for the restoration of the Parliament building, provided for expenditure amounting to EUR 352.2 million for restoration and EUR 51.4 million for interim leases as well as relocation and was adopted by the National and Federal Council in July 2014.

Pursuant to the Act on the Restoration of the Parliament Building, the president of the National Council had to consult a control body accompanying the project. The ACA was a member of this body. In a letter to the president of the National Council dated 22 July 2014, the ACA noted that the involvement of the president of the ACA in the builder-owner committee was only possible in compliance with the national constitutional situation, the Lima and Mexico declarations as well as the provisions of the Austrian Business Code and would therefore be limited to advisory activities. Additional audit activities or substantive examinations and operative decisions regarding the implementation of the project beyond this advisory approach would not be included. This guaranteed that the ACA’s effective audit activities were not compromised. The three audits that the ACA carried out on the restoration of the Parliament building showed that the separation of advisory services in the builder-owner committee on the one hand and of supervisory activities through auditing on the other hand, as set out in 2014, was maintained throughout the entire duration of the Parliament building restoration project. In addition to the president of the ACA, the builder-owner committee includes the three presidents of the National Council and the heads of the parliamentary groups. On 17 October 2014, the builder-owner committee held its inaugural meeting. A further 32 meetings would follow until 21 September 2023.

From November 2015 to March 2016, the ACA examined the status of the restoration of the Parliament building in its second audit and published the report on “Restoration of the Parliament Building – Detailed Preliminary Draft” (volume Federation 2017/6) in February 2017. In addition to pointing out the very ambitious time schedule, the ACA identified shortcomings due to the failure to, among other things, carry out analyses of harmful and interfering substances, take into account outbuildings in the design of space and functions and carry out a lifecycle cost analysis.

In July and August 2017, the Parliament’s staff was relocated to the Hofburg Palace as well as the temporary alternative locations at the Heldenplatz Square and the Hofburg Palace’s Bibliothekshof Courtyard. Following the start of the preparatory construction measures in September 2017, the main construction work began in April 2018. The full restoration of the Parliament building, which is a protected monument, was completed in October 2022.

The ACA submitted its third report on “Restoration of the Parliament Building” (volume Federation 2023/27) to the National Council on 29 September 2023. The audited period spanned the years from 2015 through 2022. The recommendations made in the report should also be viewed as guidelines for public builder-owners that have to implement projects of this magnitude.

On the subject of costs, the ACA explained that the Parliament restoration project was made up of two subprojects: the restoration of the Parliament building on the one hand and interim leases and relocation on the other hand. Both projects together are expected to cost a total of EUR 517.52 million including value added tax. The amount could not be determined with certainty at the time of the audit since final accounting was still outstanding and negotiations were still ongoing. Owing to an amendment to the Act on the Restoration of the Parliament Building, which was adopted unanimously by the National Council in De-



ember 2020, the current budget was adhered to. In addition, activities closely related to the period and scope of the refurbishment incurred costs amounting to EUR 3.09 million for the preparation of the project and other costs in the amount of EUR 18.04 million.

The ACA noted the following on the project implementation: the Parliament building was completed 26.5 months later than planned according to the Detailed Preliminary Draft. Even before the outbreak of the pandemic, the project had already been delayed by 16.6 months. The reasons for this were the following:

- No harmful and interfering substance analyses were carried out initially.
- Award procedures were retracted because submitted bids significantly exceeded the cost limit.
- In addition, rescheduling and project optimizations took time.

According to the Parliament Administration and the Bundesimmobiliengesellschaft (federal real estate company), around seven months of the delay arose from measures taken due to the COVID-19 pandemic.

Furthermore, the ACA identified weaknesses in the implementation scheduling, the investigation of harmful and interfering substances as well as in the quality assurance of tender documentation. The auditors rated the management of defects favourably. As regards accessibility and fire safety, statutory provisions were complied with and the overall project targets were met. In addition, the energy consumption per square metre required for heating was reduced by 61 per cent. However, the Parliament building's overall energy consumption only fell by a total of 2 per cent. Office space was reduced (by 98 m² from 7,136 m² to 7,038 m²) despite the restoration.



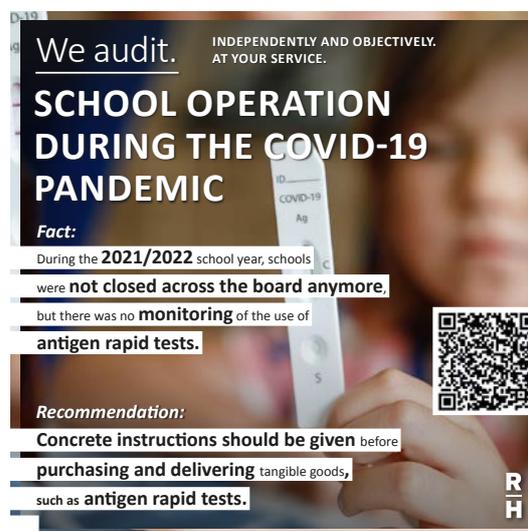
On 12 January 2023, the opening ceremony for the restored Parliament building was held in the historic chamber. The Parliament building started opening its doors to the public in January 2023 with two open days, followed by guided tours and public events. According to extrapolations made by the Parliament Administration, around 500,000 persons visited the Parliament in 2023.

In September 2023, the president of the ACA presented the findings made in the audit of the project “Restoration of the Parliament Building” to the builder-owner committee chaired by President Wolfgang Sobotka. The ACA published its report on 29 September 2023.



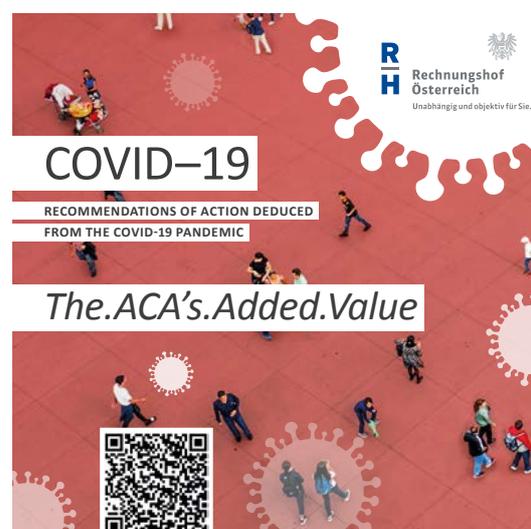
1.5 THE.ACA'S.ADDED.VALUE

Ever since the beginning of the COVID-19 pandemic, the ACA has carried out numerous audits that examined the implications of decisions taken in this exceptional situation from a risk-oriented perspective. This has to be considered against the backdrop that – in addition to their public health and sociopolitical implications – these decisions also have far-reaching economic and financial consequences. The measures taken to fight the economic and social implications of the COVID-19 pandemic will have an impact on the state’s financial situation and its capacity to act for years to come. The ACA has already submitted a total of 23 reports addressing this priority issue, seven of which were published in 2023 (among others, “New Forms of Cultural Education due to the COVID-19 Pandemic” (volumes Federation 2023/8, Salzburg 2023/2, Vorarlberg 2023/2), “COVID-19 Vaccine Procurement” (volume Federation 2023/16), “School Operation during the COVID-19 Pandemic” (volumes Federation 2023/24, Vienna 2023/5) etc.).



The ACA strives to create added value and achieve impact that goes above these individual reports. Therefore, it analysed the conclusions drawn in its published reports and prepared an issues paper titled “The.ACA’s.Added.Value”. It aims at drawing the audited entities’ attention to lessons learned and strengthening the ACA’s preventative effect.

The ACA published the issues paper “COVID-19 | The.ACA’s.Added.Value” in April 2023; it was based on the 18 reports on the topic of COVID-19 published by the end of March 2023.



Some aspects worked well and quickly during the COVID-19 pandemic, others could be improved. National cooperation in the area of pandemic management was a source of friction. Some of the actions taken not only lacked coordination between the Federation and the provinces but also within the federal level itself. In addition, the pandemic caused the Federation to make payouts amounting to EUR 47.7 billion by the end of 2022. The programmes designed to provide support were unable to sufficiently mitigate the risk of overpayments, deadweight effects and abuse. On the one hand, this was due to the funding design, on the other hand, due to missing controls and/or inadequate control concepts.

The added value provided by the ACA's issues paper arose less from criticism and more from the mapping of potential improvements. The ACA deduced recommendations in four spheres of action (pandemic management, COVID-19 aid measures, crisis-resistant organization and effective control system). Key messages from the ACA's reports subsequently led to targeted implementation recommendations. In this context, the ACA attached particular importance to

- ensuring sufficient qualified professional staff as well as continuity,
- providing for timely legal bases and up-to-date contingency plans,
- guaranteeing the availability of the data required for pandemic management,
- clearly governing the interactions between the Federal Ministry of Social Affairs, Health, Care and Consumer Protection, hospitals and the independent healthcare sector,
- guaranteeing crisis-proof day-to-day operations,

- making use of the existing expertise and structures of the administration and ensuring knowledge transfer when contracts are awarded externally,
- complying with the standards of public procurement law as well as the principles of economy and efficiency, even in exceptional situations,
- clearly defining funding objectives, responsibilities and parameters,
- developing accurate and needs-based aid measures in order to avoid multiple funding and overfunding,
- optimizing financial support in terms of target group-specific and societal benefits and
- defining accurate funding criteria.

In exceptional situations and crises – such as the COVID-19 pandemic –, a functioning state is particularly important and public institutions are particularly challenged. At these times, adequate crisis management requires suitable provisions. Currently, however, the system continues to display structural deficits.

The issues paper on “The.ACA's.Added.Value” can be retrieved at https://www.rechnungshof.gv.at/rh/home/home_1/home_6/Rechnungshof.Mehr.Wert_Fokus_Covid-19_BF.pdf on the ACA's website.

Starting in 2024, more issue papers will be published as part of the “The.ACA's.Added.Value” series as needed.



1.6 70 YEARS INTOSAI AND 60 YEARS INTOSAI GENERAL SECRETARIAT AT THE ACA

INTOSAI is the International Organization of Supreme Audit Institutions. The year 2023 was characterized by two important anniversaries for the ACA in its function as the INTOSAI General Secretariat. On the one hand, INTOSAI marked its 70 years of existence: it was formed in November 1953 on the occasion of the first INTOSAI Congress in Havana, Cuba. On the other hand, the ACA assumed the function of the General Secretariat in 1963 and therefore celebrated the 60th anniversary of the seat of this important international organization being located in Vienna in 2023.

FESTIVE EVENT AT THE PARLIAMENT

The ACA had the honour of being hosted in the newly restored building of the Austrian Parliament for the festive event. This was symbolic for the ACA since it is also in Parliament, the centre of democracy and place of legislation, that its reports are discussed.

The festive event was combined with the 77th INTOSAI Governing Board meeting, which is held annually and is organized by the General Secretariat of INTOSAI every three years. The event was attended by 197 high-level guests from Supreme Audit Institutions and other guests of the Parliament from Austria and abroad. 25 of the 39 international delegations were headed by the presidents of the respective Supreme Audit Institutions (SAIs). Among the guests were the former INTOSAI Secretaries General President Franz Fiedler and President Josef Moser.



The overarching topic of the festive event, which was moderated by ambassador Peter Lausky-Tieffenthal, was SAIs' contribution to global sustainable development. The following speakers shared their experiences and lessons learned in this regard: President and INTOSAI Secretary General Margit Kraker, President of the SAI Brazil Bruno Dantas – in his capacity as current Chair of INTOSAI –, President of the SAI Saudi Arabia and Chair of the INTOSAI Policy, Finance and Administration Committee Hussam Alangari, Head of the SAI of the United States of America Gene Dodaro, Head of the SAI South Africa and Chair of the INTOSAI Capacity Building Committee Tsakani Maluleke, President of the SAI Germany Kay Scheller and David Le Blanc from the United Nations Department of Economic and Social Affairs (UN DESA).

The International Monetary Fund, as a representative of the INTOSAI-Donor Cooperation, sent a video message from General Counsel Rhoda Weeks-Brown.

United Nations Secretary-General António Guterres also forwarded his greetings on the occasion of the anniversary. In his message, he emphasized that SAIs were essential for holding governments accountable and contributed to the well-being of all with their work.

After the opening of the event by its host, President of the Austrian National Council Wolfgang Sobotka, President Margit Kraker highlighted INTOSAI's special role as the global voice of SAIs around the world. INTOSAI stands for a participative and inclusive approach, in which all seven global INTOSAI regions work together (AFROSAI – ARABOSAI – ASOSAI – CAROSAI – OLACEFS – PASAI and EUROSAI).

from left to right: David Le Blanc (UN DESA), Tsakani Maluleke (SAI South Africa), Hussam Alangari (SAI Saudi Arabia), Margit Kraker, Bruno Dantas (SAI Brazil), Kay Scheller (SAI Germany), Gene Dodaro (SAI USA)



SAI INDEPENDENCE

Supreme Audit Institutions are very exposed institutions as they are the supreme institutions in their respective states that have been tasked with auditing national financial management. If they want to fulfil their tasks without interference, it is all the more important for SAIs to consistently emphasize INTOSAI's principles: strengthening the independence and institutional positioning of SAIs, application of international standards for SAIs (ISSAIs) and promoting sustainable public finances as well as effective and accountable institutions. Independence is the highest good for SAIs that want to point out, caution and insist, that want to be a catalyst for governments and administrations. In this context, President Margit Kraker stressed the importance of being vigilant. She warned that crises, discord, disruption – which are negatively affecting the lives of people and states with unexpected impact these days – threatened this independence.

In the last 70 years, INTOSAI experienced an extraordinary development: for example, the number of members increased from 34 in 1953, the year of formation, to 195 full members in 2023. In addition, INTOSAI counts five associate members and two affiliate members. INTOSAI has had Rules of Procedure, followed by Statutes, since 1968. In 2022, the Strategic Plan 2023–2028 was adopted. This fourth Strategic Plan defines INTOSAI's key objectives and priorities. Four goal committees are dedicated to its substantive priorities: standard setting, capacity building, knowledge sharing and governance.

In her speech, President Margit Kraker also addressed the 60th anniversary of the INTOSAI General Secretariat being run by the ACA and the General Secretariat's area of responsibilities, which have continuously grown over time.

In addition to administrative support, ensuring regular communication with INTOSAI members and bodies as well as financial management, the General Secretariat very actively advocated for the implementation of INTOSAI's Strategic Plans and the priorities contained therein.



IMPLEMENTATION OF THE UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS

During the festive event, President Margit Kraker also highlighted the important role SAIs occupy in securing global sustainability as well as the implementation of the United Nations' Sustainable Development Goals (SDGs). INTOSAI is an outstanding example of a global institution that proclaims the United Nations' 2030 Agenda as one of its goals; its member SAIs are committed to advocating for the implementation of the SDGs. The contribution that SAIs can make to auditing the implementation of these goals also forms one of INTOSAI's strategic priorities. From the SAIs' perspective, the most important goal is SDG 16, which calls for peace, justice and strong institutions. SAIs have

committed themselves to auditing good governance and the effectiveness of the public sector.

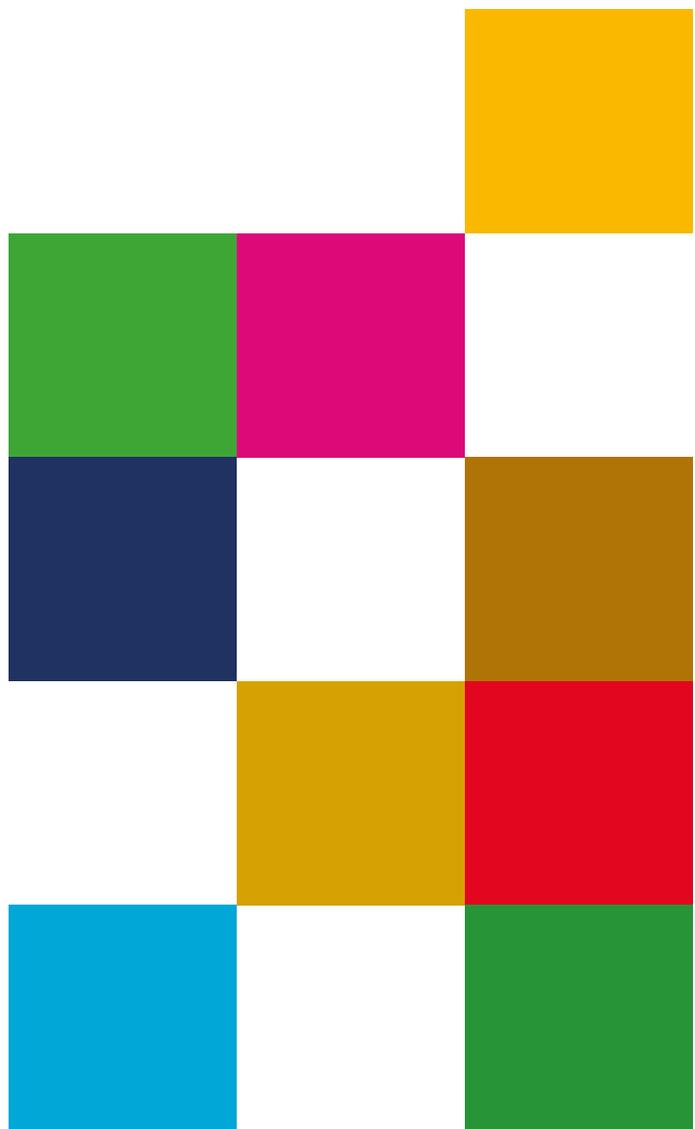
Supporting SAIs in fulfilling this important role is another one of the INTOSAI General Secretariat's substantive priorities. In this regard, the ACA as the INTOSAI General Secretariat has assumed the role of an information and coordination platform for the SDG-related activities of SAIs and INTOSAI as a whole. In this capacity, the ACA aims to ensure that the numerous SDG-related activities within INTOSAI are coordinated and that INTOSAI's members as well as external partners are informed about these activities.

Ever since the adoption of the Agenda 2030, SAIs' contribution to auditing SDG implementation has been a central topic at numerous INTOSAI events. INTOSAI and its General Secretariat have closely collaborated with the United Nations in this context. For example, UN/INTOSAI symposia – events on capacity building that have been jointly organized by the United Nations and INTOSAI for more than 50 years – have regularly addressed this topic since 2015. In April 2024, the next symposium will address the current issue of climate protection.

PUBLICATION: 70 YEARS INTOSAI

On the occasion of the festive event, a publication issued by the INTOSAI General Secretariat on the contribution of SAIs to global sustainability was presented. It summarizes the perspectives and contributions of INTOSAI's bodies, its major external partners and Regional Organizations. President and INTOSAI Secretary General Margit Kraker on the publication: "INTOSAI's diverse and far-ranging nature, which I have gotten to know as its Secretary General, is reflected in this commemorative publication".

The commemorative publication "70 YEARS INTOSAI" can be retrieved at https://www.rechnungshof.gv.at/rh/home/home_1/home_6/70_Jahre_INTOSAI_FEST-SCHRIFT_BF.pdf on the ACA's website.



THE 17 SUSTAINABLE DEVELOPMENT GOALS





Auditing is the ACA's core task.

It performs audits throughout the entire state economy.

*Overall, the ACA is competent
to audit around 5,800 legal entities.*





2. AUDITING AND ADVISING

2.1 AUDITING

As an independent public audit body, the ACA examines whether the Federation, the provinces and the municipalities as well as public companies use their funds diligently and whether public finances are on a sustainable path. Its core task is auditing and advising. In doing so, it identifies weaknesses and potential improvements. It contributes to creating transparency about the use of public funds, and thus to increasing efficiency and effectiveness in the public sector. In this way, it creates significant added value and benefits for society.

It is important to the ACA as a public auditor, which albeit audits ex post, i.e. the audits are performed in retrospect, to anticipate and identify future challenges that will emerge for the state and society in the medium term ex ante, i.e. proactively, and to develop an audit programme that strategically builds thereon.

In December 2023, the ACA was carrying out 77 audits, 42 of which were dedicated to the audit priority “Next Generation Austria. Are we passing on something besides debt to the next generation? On the future role of the state for the next generation”.

The audit priority includes in particular the following subjects:

- public responsibilities and sustainable public finances (such as provisions and the ensuring of availability in the case of specific infrastructure requirements and responsibilities, e.g. spatial planning, implementation of costly reform projects – in the areas of transport, health and old-age care),

- digitalization and public administration (modernization of the administration and the prevention of corruption, digital transformation and public data management),
- future-related promises to the youth (implementation of reforms for the benefit of the next generation, in particular in the areas of education, labour market, climate and pensions).

In July 2023, the ACA began planning its audits for the year 2024. Both the 2023 and the 2024 audit plan were coordinated with the provincial audit institutions. The purpose of this coordination is to avoid a duplication of audits.



2.2 REPORTING

In 2023, the ACA published 50 reports:

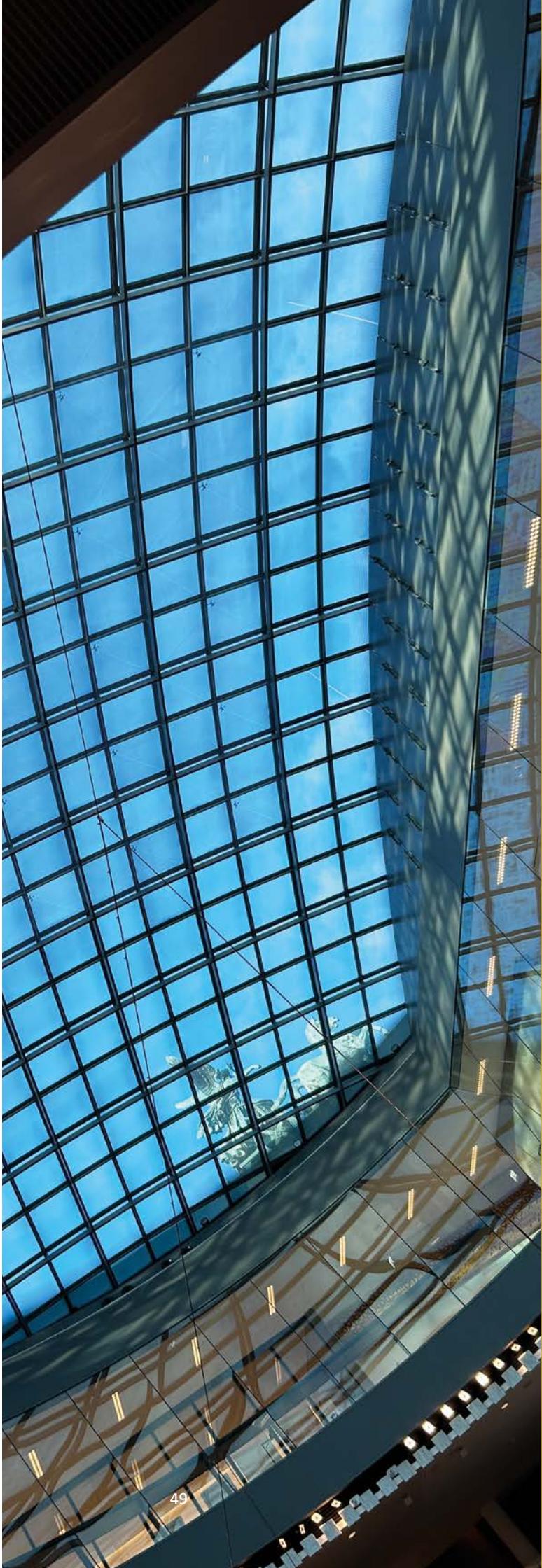
Title	Date of publication	Volume
Health Promotion and Preventive Healthcare	13 Jan 23	Federation 2023/1
Torrent and Avalanche Control in Upper Austria and Styria	20 Jan 23	Federation 2023/2 Styria 2023/1 Upper Austria 2023/1
Boards of Education	03 Feb 23	Federation 2023/3 Burgenland 2023/1 Carinthia 2023/1 Lower Austria 2023/1 Salzburg 2023/1 Styria 2023/2 Tyrol 2023/1 Upper Austria 2023/2 Vienna 2023/1 Vorarlberg 2023/1
Federal Office for Immigration and Asylum; Follow-up Audit	10 Feb 23	Federation 2023/4
Federal Administrative Court	17 Feb 23	Federation 2023/5
Austrian Academy of Sciences	24 Feb 23	Federation 2023/6
Replacement of the Citizen Card/Mobile Phone Signature by the Electronic Proof of Identity (E-ID)	03 Mar 23	Federation 2023/7
New Forms of Cultural Education due to the COVID-19 Pandemic	10 Mar 23	Federation 2023/8 Salzburg 2023/2 Vorarlberg 2023/2

Title	Date of publication	Volume
Tramway Projects in Graz, Innsbruck, Linz	24 Mar 23	Federation 2023/9 Styria 2023/3 Tyrol 2023/2 Upper Austria 2023/3
Investments of the Provinces of Upper Austria and Styria	21 Apr 23	Federation 2023/10 Styria 2023/4 Upper Austria 2023/4
Educational Leave	28 Apr 23	Federation 2023/11
Film Academy Vienna	05 May 23	Federation 2023/12
COVID-19 – Structure and Scope of Financial Aid Measures: Data Update 2022	05 May 23	Federation 2023/13 Burgenland 2023/2 Carinthia 2023/2 Lower Austria 2023/2 Salzburg 2023/3 Styria 2023/5 Tyrol 2023/3 Upper Austria 2023/5 Vienna 2023/2 Vorarlberg 2023/3
Sale of the FMB Facility Management Burgenland GmbH	12 May 23	Burgenland 2023/3
Compliance – Corruption Prevention in Real Estate Transactions: ÖBB-Immobilienmanagement GmbH and Österreichische Post AG	12 May 23	Federation 2023/14
House of Music in Innsbruck; Follow-up Audit on the Basis of Selected Construction Projects	26 May 23	Tyrol 2023/4
COVID-19 Funding Granted by Agrarmarkt Austria	02 Jun 23	Federation 2023/15
COVID-19 Vaccine Procurement	16 Jun 23	Federation 2023/16
Food Security	23 Jun 23	Federation 2023/17 Tyrol 2023/5 Vienna 2023/3
Report on the Federal Financial Statements 2022	29 Jun 23	FFS 2022
Compliance with Environmental Impact Assessment Procedures in Styria	30 Jun 23	Styria 2023/6
Affiliated Companies of the Municipality of Schwaz	07 Jul 23	Tyrol 2023/6
Hohe Tauern National Park	14 Jul 23	Federation 2023/18 Carinthia 2023/3 Salzburg 2023/4 Tyrol 2023/7
Population-wide COVID-19 Tests	21 Jul 23	Federation 2023/19 Lower Austria 2023/3 Vienna 2023/4
Federal Sports Promotion Scheme; Follow-up Audit	28 Jul 23	Federation 2023/20
Violence and Victim Protection for Women	25 Aug 23	Federation 2023/21
Bundesbeschaffung GmbH and Selected Procurement Procedures	01 Sep 23	Federation 2023/22
Railway Level Crossings	08 Sep 23	Federation 2023/23 Lower Austria 2023/4 Salzburg 2023/5 Styria 2023/7
School Operation during the COVID-19 Pandemic	15 Sep 23	Federation 2023/24 Vienna 2023/5
Shareholder Contributions to the Österreichische Mensen-Betriebsgesellschaft m.b.H.	15 Sep 23	Federation 2023/25
Tax Offence Cases in Tax Administration	22 Sep 23	Federation 2023/26

Title	Date of publication	Volume
Restoration of the Parliament Building	29 Sep 23	Federation 2023/27
Vienna State Opera; Follow-up Audit	29 Sep 23	Federation 2023/28
Sustainability of the Pension System	13 Oct 23	Federation 2023/29
Coordination of Cyber Defence	20 Oct 23	Federation 2023/30
Land Use Designation Procedures of the City of Vienna	27 Oct 23	Vienna 2023/6
Water Association Obere Enns	03 Nov 23	Federation 2023/31 Salzburg 2023/6
Task Performance and Operational Readiness of the 4 th Armoured Infantry Brigade	10 Nov 23	Federation 2023/32
Social Assistance Association Wolfsberg	24 Nov 23	Carinthia 2023/4
Investments of the Provinces of Tyrol and Vorarlberg	24 Nov 23	Federation 2023/33 Tyrol 2023/8 Vorarlberg 2023/4
Vienna Health Association – Contract Awarding Practice in the Areas of Medical Technology and Advisory Services	01 Dec 23	Vienna 2023/7
Industrial Building Area Ehrenfeld II Viecht in the Municipality of Ohlsdorf	07 Dec 23	Federation 2023/34 Upper Austria 2023/6
Outpatient Care in Carinthia	07 Dec 23	Federation 2023/35 Carinthia 2023/5
Climate Bonus and Energy Cost Credit – Processing	15 Dec 23	Federation 2023/36
Income Report – Average Income and Additional Pension Contributions in Public Companies and Federal Institutions 2021 and 2022	15 Dec 23	Income 2023/1
Federal Research and Training Centre for Forests, Natural Hazards and Landscape; Follow-up Audit	21 Dec 23	Federation 2023/37
E-Mobility; Follow-up Audit	21 Dec 23	Federation 2023/38
Old-age Care in Austria and Funding of 24-Hour Care; Follow-up Audit	21 Dec 23	Federation 2023/39 Upper Austria 2023/7 Vienna 2023/8
Stadtwerke Klagenfurt Aktiengesellschaft; Follow-up Audit	21 Dec 23	Carinthia 2023/6
Annual Report 2023 of the Austrian Court of Audit	29 Dec 23	Federation 2023/40 Burgenland 2023/4 Carinthia 2023/7 Lower Austria 2023/5 Salzburg 2023/7 Styria 2023/8 Tyrol 2023/9 Upper Austria 2023/8 Vienna 2023/9 Vorarlberg 2023/5

The ACA submitted the reports listed in the table above to the National Council, the provincial parliaments and the Vienna City Council as well as to the municipal councils and the municipal associations. For six years now, it has presented its reports in an electronic format and not as printed copies.

For the sake of transparency, all ACA reports are published on its website at www.rechnungshof.gv.at; the access has been barrier-free since January 2017. This means that the PDF files can also be retrieved by blind people and people with visual impairments with the help of a speech reproduction programme.



2.3 SPECIAL AUDITS

Under special circumstances and to a limited extent, the Federal Constitutional Law provides for the possibility for the National Council or a provincial parliament as well as for the Federal Government or a provincial government to address an audit request or demand to the ACA.

Owing to amendments to the Rules of Procedure of the National Council (Federal Law Gazette I 141/2022), which entered into force on 1 January 2023, members of a parliamentary group with less than 20 Members of Parliament (MPs) can now also address an audit request to the ACA, provided that all members of the parliamentary group are in favour of the request. The total limit of three pending audits has also been removed.

The ACA published eight special audits in 2023:

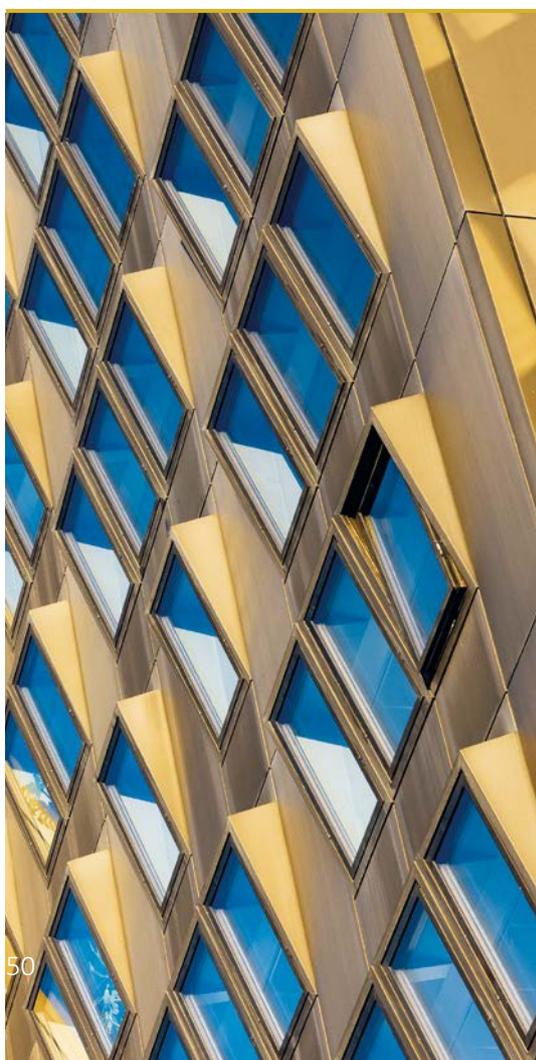
- “Health Promotion and Preventive Healthcare” (volume Federation 2023/1)
- “Sale of the FMB Facility Management Burgenland GmbH” (volume Burgenland 2023/3)
- “COVID-19 Vaccine Procurement” (volume Federation 2023/16)
- “Compliance with Environmental Impact Assessment Procedures in Styria” (volume Styria 2023/6)
- “School Operation during the COVID-19 Pandemic” (volumes Federation 2023/24, Vienna 2023/5)

- “Shareholder Contributions to the Österreichische Mensen-Betriebsgesellschaft m.b.H.” (volume Federation 2023/25)
- “Task Performance and Operational Readiness of the 4th Armoured Infantry Brigade” (volume Federation 2023/32)
- “Vienna Health Association – Contract Awarding Practice in the Areas of Medical Technology and Advisory Services” (volume Vienna 2023/7)

The ACA audited “Health Promotion and Preventive Healthcare” (volume Federation 2023/1) at the Federal Ministry of Labour, Social Affairs, Health and Consumer Protection, which became the Federal Ministry of Social Affairs, Health, Care and Consumer Protection in January 2020.



On the topics of nutrition and exercise, the ACA carried out supplementary investigations at the Federal Ministry for Arts, Culture, the Civil Service and Sport. The audit was performed following a decision by the National Council in accordance with Article 126b para. 4 of the Federal Constitutional Law (Bundes-Verfassungsgesetz) in conjunction with section 99 para. 1 of the National Council Rules of Procedure Act 1975 (Geschäftsordnungsgesetz 1975). It was based on a request submitted by MPs of the Austrian People’s Party (ÖVP) and the Freedom Party of Austria (FPÖ) dated 29 January 2019. The National Council’s instruction to conduct the audit covered 27 topics, which the ACA divided into three priorities. The ACA addressed the two other priorities in two separate reports that have already been published (“Medical Care in the Independent Healthcare Sector” (volume Federation 2021/30); “Medical Training” (volume Federation 2021/42)).



In its report on “Health Promotion and Preventive Healthcare”, the ACA highlighted the measures that should be pursued to increase healthy life years. As one of ten “Austrian Health Targets”, the Council of Ministers determined in 2012 that every person in Austria should spend two additional years in good health by 2032. Despite this objective, however, the health situation has deteriorated. According to Statistics Austria, for example, people aged 65 could expect to live an average of 9.75 healthy years in 2019. In 2014, this value was at 11.35 healthy life years. Furthermore, the ACA critically noted that the reformed mother-child health passport has still not been implemented.

Upon the request of 14 out of 36 members of the Burgenland Provincial Parliament (ÖVP and FPÖ members), the ACA carried out an audit in accordance with section 27 of the Rules of Procedure of the Burgenland Provincial Parliament in conjunction with Article 127 para. 7 of the Federal Constitutional Law between July and November 2021. The subject of this audit was the “Sale of the FMB Facility Management Burgenland GmbH” (volume Burgenland 2023/3) by the LIB – Landesimmobilien Burgenland GmbH (real estate company of the province of Burgenland). In addition to comprehensively and thoroughly responding to the request, the ACA’s report aimed at developing recommendations and lessons learned for future restructuring projects or sales of public companies.

The FMB Facility Management Burgenland GmbH was sold to one of its managing directors for EUR 180,793, even though accountants had initially valued the company at between EUR 346,300 and EUR 733,500. The highest non-binding offer made by a bidder amounted to EUR 634,000. The ACA critically

noted that a higher sales price could have been achieved if the sale had been processed swiftly and carefully. It recommended that future company sales be carefully planned and prepared in advance, taking all influencing factors into account.



The ACA audited “COVID-19 Vaccine Procurement” (volume Federation 2023/16) in accordance with Article 126b para. 4 of the Federal Constitutional Law upon the request of MPs of the Social Democratic Party of Austria (SPÖ) pursuant to section 99 para. 2 of the National Council Rules of Procedure Act 1975. The audit request covered a total of eleven topics. In its audit, the ACA placed particular emphasis on the following essential aspects: assessing the management and coordination of vaccine procurement as well as the delivery dates and quantities, analysing the financial framework conditions and the possible implications of not ordering the full volume of COVID-19 vaccines, evaluating the actual use of COVID-19 vaccines as well as analysing the contractual documents and Austria’s role in the COVID-19 vaccine negotiations at the EU level.

The procurement of COVID-19 vaccines aimed at providing the Austrian population with vaccines and contributing to overcoming the pandemic. However, the implementation of COVID-19 vaccine procurement had weaknesses. Sufficient vaccines were available as of June 2021; however, at the start of vaccine procurement in June 2020, no detailed calculations of the estimated expenditure were performed, for example. The Federal Ministry of Social Affairs, Health, Care and Consumer Protection made needs-based calculations for later purchases, but without clearly documenting the respective underlying assumptions. The ACA recommended basing vaccine procurement projects on needs-based calculations that are documented in the filing system and are based on comprehensible assumptions. The needs-based calculations should be made based on scientifically sound extrapolations or scientifically valid recommendations for the use of vaccines.



A request of members of the Styrian Provincial Parliament (FPÖ, Communist Party of Austria (KPÖ), NEOS, The Greens) pursuant to Article 45a of the Provincial Constitutional Law 2010 (Landes-Verfassungsgesetz 2010) in conjunction with Article 127 para. 7 of the Federal Constitutional Law led the ACA to carry out an audit on “Compliance with Environmental Impact Assessment Procedures in Styria” (volume Styria 2023/6) at the Office of the Styrian Provincial Government. The request of the members of the provincial parliament was based on publicly known allegations against provincial staff members of close collaboration with applicants in connection with decisions in environmental impact assessment procedures as well as the outsourcing of sovereign tasks of the administration to private service providers or their transfer to project applicants.

The audit primarily focussed on determining how decisions were taken within the scope of environmental impact assessments (EIA). In at least three procedures, it was revealed that text passages/wordings written by project applicants and transmitted to staff members of the EIA authority were included in the decisions, sometimes word-for-word. In its report, the ACA highlighted that conducting approval procedures and issuing decisions are core sovereign tasks of the administration that must not be outsourced to external parties. In addition, it recommended that the EIA authority conduct any coordination with the project applicants prior to the submission of the application transparently and systematically and clearly document the coordination results.

The ACA audited “School Operation during the COVID-19 Pandemic” (volumes Federation 2023/24, Vienna 2023/5) and “Shareholder Contributions to the Österreichische Mensen-Betriebsgesellschaft m.b.H.” (volume Federation 2023/25) in accordance with Article 126b para. 4 of the Federal Constitutional Law upon a request of MPs of the FPÖ pursuant to section 99 para. 2 of the Austrian National Council Rules of Procedure Act 1975. The audit request covered 19 questions about the procurement procedures of the Federal Ministry of Education, Science and Research in connection with the COVID-19 Pandemic. The ACA divided the questions into the two priorities mentioned above.

The ACA considered it positive that schools were not closed across the board anymore during the 2021/2022 school year, as lockdowns and distance learning negatively impacted the well-being of pupils and caused learning deficits. The frequent changes in legal provisions were considered a burden for schools and school authorities. The organization of antigen rapid tests and PCR tests for around 1.14 million pupils represented a challenge. Schools also lacked effective systems for monitoring of the tests, which is why, even after four rounds of stock-taking, the Federal Ministry of Education, Science and Research was still unable to say how many antigen rapid tests had actually been used and how many were still in stock. Eventually, after lengthy follow-up research, the ministry put the number of tests delivered to schools at 97.52 million; however, the specific place of use/whereabouts could only be explained for 62.29 million tests. The remaining 35.23 million antigen rapid tests could not be traced.

The Österreichische Mensen-Betriebsgesellschaft m.b.H. (ÖMBG), fully owned by the Republic of Austria, ran canteens and similar facilities for educational institutions and recorded massive losses in sales revenue during the COVID-19 pandemic. Despite the receipt of COVID-19 financial aids and shareholder contributions made by the Federal Ministry of Education, Science and Research totalling EUR 4.10 million as well as further support measures, negative results amounting to EUR 1.93 million (2020) and EUR 2.84 million (2020/2021) were incurred.

Upon the request of MPs of the FPÖ, the ACA audited the “Task Performance and Operational Readiness of the 4th Armoured Infantry Brigade” (volume Federation 2023/32). The audit was carried out in accordance with Article 126b para. 4 of the Federal Constitutional Law in conjunction with section 99 para. 2 of the National Council Rules of Procedure Act 1975. It focussed on the years between 2013 and 2021 and covered 32 questions. The main aim of the audit was the presentation and assessment of the range of tasks, the strategic concepts and planning, the personnel and material resources as well as the infrastructure.



The 4th Armoured Infantry Brigade comprises the heavy weaponry of the Austrian Armed Forces: tanks, armoured personnel carriers and artillery. The ACA ascertained that an average of 64 per cent of Leopard 2A4 tanks and 44 per cent of Ulan armoured personnel carriers were not fit for field use in the period from 2018 to 2022. Among other things, this was due to the systems' long service life of around 30 years. The Leopard 2A4 model was introduced into the armed forces in 1997 and 1998, and the Ulan model between 2001 and 2004. In the ACA's opinion, lifecycle management should be used for new purchases in order to deduce necessary follow-up investments from procured items. Due to limited resources, the Federal Ministry of Defence did not make use of lifecycle management in the audited period, which was why, among other things, there was no data that could establish the need for a timely initiation of new purchases before vehicles reach the end of their useful life.

On 1 December 2023, the ACA submitted its report on "Vienna Health Association – Contract Awarding Practice in the Areas of Medical Technology and Advisory Services" (volume Vienna 2023/7). It analysed contract awards between 1 January 2010 and 31 March 2021 and identified shortcomings in 48 out of 66 cases, in particular as regards documentation. The audit was carried out in accordance with Article 127 para. 7 of the Federal Constitutional Law upon a request of members of the Vienna Municipal Council (ÖVP and The Greens) pursuant to section 73a of the Vienna City Statutes (Wiener Stadtverfassung). It aimed at assessing contract awards in the areas of medical technology and advisory services as well as the compliance management system.

Two thirds of all contracts over EUR 50,000 awarded in the area of medical technology were awarded without prior notice, which limited the number of bidders and possibly resulted in the acceptance of economic and technological disadvantages. The low number of contracts with contract amounts between EUR 100,000 and EUR 109,999 compared to contract amounts between EUR 90,000 and EUR 99,999 might indicate that the health association chose its lot distribution and sizes in order to remain within the threshold for direct awards, which is limited to EUR 100,000. Overall, the audit revealed a high concentration on a small number of contractors.

The ACA recommended that the health association push for centralized procurement of medico-technical services. When preparing the tender documentation, product-neutral calls for tender should be ensured, market research should be documented and taken into account in the award procedures. Market capacities should be used as far as possible and not restricted by tendering conditions, for example by making it mandatory to obtain several offers, especially in the case of direct awards. Before inviting tenders or contracting external advisory services, cost-benefit and make-or-buy analyses should be carried out and documented.

Furthermore, the health association only began to set up a compliance management system in 2017. In this context, the ACA recommended freeing the Chief Compliance Officer from instructions. In addition, in line with international standards, the compliance management system should be audited regularly both externally and internally by the health association's internal audit department.

In 2023, the ACA received six requests for special audits:

- audit on “Own Investments of the Oesterreichische Nationalbank (Central Bank of Austria)” (requested by members of the National Council (SPÖ)),
- audit on the “Pricing Policy of KELAG” (requested by members of the Carinthian Provincial Parliament (FPÖ)),
- audit on the “Municipality of Matrei in East Tyrol” (unanimous decision of the Tyrolean Provincial Parliament; the additional request was adopted by a majority (opposed by The Greens and Liste Fritz)),
- audit on “Provincial Supervision of Non-profit Housing Developers in Styria” (requested by members of the Styrian Provincial Parliament (The Greens and FPÖ)),
- audit on the structural and personnel situation of the Steiermärkische Krankenanstaltengesellschaft m.b.H. (Styrian hospital operator) (requested by the Styrian Provincial Parliament),
- audit on “Illegal Political Party Financing: Preferential Benefits Provided by the Federal Ministries to the ÖVP and The Greens” (requested by members of the National Council (FPÖ)).

In addition, the ACA was in the midst of carrying out the following requested special audit as at mid-December 2023:

- “AEI – Agency for European Integration and Economic Development” (requested by the Federal Minister of Defence).



2.4 ADVISORY COMMITTEE ACTIVITIES

NATIONAL COUNCIL

In early 2023, 52 ACA reports submitted in the period of 2020 to 2022 as well as the General Income Report 2022 were still unaddressed. In 2023, the ACA presented 40 reports as well as the Report on the Federal Financial Statements 2022 and the Income Survey 2021 und 2022 to the National Council, i.e. a total of 42 reports. President Margit Kraker attended seven meetings held by the Public Accounts Committee. She furthermore participated in two meetings of the Parliamentary Budget Committee and in eight plenary sessions of the National Council. The Public Accounts Committee discussed 44 reports, including the Annual Report 2022 and the General Income Report 2022. Consequently, 49 reports submitted by the ACA in the period of 2020 to 2023 remained unaddressed at the end of the year.

At its meeting held in the presence of Federal Minister Gerhard Karner on 15 March 2023, the Public Accounts Committee dealt with four reports related to the area of internal affairs (“The Prevention of and Fight against Cybercrime” (volume Federation 2021/23), “Coordination of Cybersecurity” (volume Federation 2022/13), “Federal Asylum Accommodation and Support Facilities” (volume Federation 2022/2) and “Primary Care in Vienna” (volume Federation 2021/8)). The National Council discussed the reports related to the area of internal affairs in its plenary session on 30 March 2023 and unanimously took note of them.

At its meeting held on 18 April 2023, which was attended by Federal Minister Klaudia Tanner, the Public Accounts Committee focussed on four reports related to the area of national defence (“Procurement Planning by the Austrian Armed Forces” (volume Federation 2022/32), “Operational Readiness of the Militia” (volume Federation 2022/39), “Task Performance and Operational Readiness of Engineer Battalion 3” (volume Federation 2021/39) and “Collaborations of the Federal Ministry of Defence with Associations and Organizations” (volume Federation 2022/28)). The National Council addressed the reports related to the area of national defence in its plenary session on 27 April 2023 and unanimously took note of them.

At another meeting held in the presence of Vice Chancellor Werner Kogler on 16 May 2023, the Public Accounts Committee dealt with two reports related to the area of civil service (“General Secretariats at the Federal Ministries” (volume Federation 2021/12) and “Technical Implementation of Telework and its Inclusion in



Civil Service Law as Applied in Selected Federal Ministries” (volume Federation 2022/27)). Furthermore, the ACA’s Annual Report 2022 (volume Federation 2022/44) and the report on “FACULTAS DOM Buchhandels GmbH” (volume Federation 2022/22) were on the agenda of the Public Accounts Committee. The National Council addressed the reports related to the area of civil service and the Annual Report in a plenary session on 24 May 2023 and unanimously took note of them.

At its meeting held on 20 June 2023, which was attended by State Secretary Florian Tursky and the managing directors of COFAG as well as the Austrian Treasury as respondents, the Public Accounts Committee discussed financial issues. Four of the ACA’s reports were under consideration (“Austrian Federal Financing Agency: Risk Management and Financing of Legal Entities and Provinces” (volume Federation 2022/20), “COFAG and Grants to Companies” (volume Federation 2022/31), “Legal Remedies in Tax Administration” (volume Federation 2022/21) and “Replacement of the Citizen Card/Mobile Phone Signature by the Electronic Proof of Identity (E-ID)” (volume Federation 2023/7)).

On 20 September 2023, the National Council addressed the financial issues in a plenary session and unanimously took note of them.

The Report on the Federal Financial Statements 2022 were addressed in the Parliamentary Budget Committee on 14 September 2023 and in a plenary session of the National Council on 20 September 2023.

At its meeting held in the presence of State Secretary Andrea Mayr on 12 October 2023, the Public Accounts Committee discussed another ACA report (“COVID-19 Measures for Artists, Cultural Workers and Art Mediators” (volume Federation 2022/25)). On this day, the Public Accounts Committee also dealt with the General Income Report 2022 (Income 2022/1).

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COFAG AND GRANTS TO COMPANIES



Fact:
COFAG, an ABBAG subsidiary, came into being within a few days, **without assessing alternatives.** ABBAG prepared the draft amendment.

Recommendation:
The ministry itself should take on the lead in preparing federal draft laws – in consultation with its **in-house experts.**




HIGHEST MEAN GROSS ANNUAL INCOME
SECTOR OF ELECTRICITY, GAS, STEAM AND AIR
CONDITIONING SUPPLY

Rechnungshof Österreich
Unabhängig und objektiv für Sie.

GENERAL INCOME REPORT
2022



LOWEST MEAN GROSS ANNUAL INCOME
ACCOMMODATION AND FOOD SERVICE ACTIVITIES

At its meeting held in the presence of Federal Minister Leonore Gewessler on 7 November 2023, the Public Accounts Committee discussed four ACA reports related to the areas of transport, environment and climate protection (“AustriaTech – Gesellschaft des Bundes für technologiepolitische Maßnahmen GmbH; Follow-up Audit” (volume Federation 2022/33), “Hohe Tauern National Park” (volume Federation 2023/18), “Plastic Packaging Waste” (volume Federation 2022/36) and “Railway Level Crossings” (volume Federation 2023/23)). AustriaTech’s managing director and the head of the department for nature, environmental protection and trade of the Office of the Salzburg Provincial Government were available to provide information. The National Council discussed the ACA reports that had been addressed in the Public Accounts Committee on 12 October and on 7 November 2023 in a plenary session on 24 November 2023 and unanimously took note of them.

The Parliamentary Budget Committee dealt with the ACA’s budget on 13 November 2023 (budget chapter 06 of the Federal Finance Act 2024 (Bundesfinanzgesetz 2024)). On this subject, President Margit Kraker also participated in the National Council’s plenary session on 21 November 2023.

At its meeting on 28 November 2023, which was attended by Federal Minister Norbert Totschnig, the Public Accounts Committee focussed on four ACA reports on issues related to agriculture and forestry (“Real Estate Administration by the Österreichische Bundesforste AG” (volume Federation 2022/38), “The Forest and Climate Change: Strategies and Measures” (volume Federation 2022/37), “Food Security” (volume Federation 2023/17) and “COVID-19 Funding Granted by Agrarmarkt Austria” (volume Federation 2023/15)). The invited respondents included the Chief Financial and Real Estate Officer of the Österreichische Bundesforste AG and the CEO of Agrarmarkt Austria.

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RAILWAY LEVEL CROSSINGS

Fact:
More than 50 per cent of railway level crossings still have to be inspected in terms of their safety.

Recommendation:
Push inspections in order to speed up the safeguarding of high-risk railway level crossings.

R
H

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COVID-19 FUNDING GRANTED BY AGRAR-MARKT AUSTRIA

Fact:
The hardship fund directive and the special directive on the loss compensation scheme allowed for the potential for multiple funding.

Recommendation:
Overlaps in terms of content and time frame between funding programmes with the same or similar purposes for the same funding object should be avoided.

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ACA SPOKESPERSONS AT THE ACA

On 14 March 2023, the ACA spokespersons visited the ACA at the invitation of President Margit Kraker. In her welcome address, President Kraker highlighted the importance of close collaboration with the Parliament. The audit reports serve as a basis for the work of the Public Accounts Committee and the corresponding parliamentary debates. At the meeting, the president provided information about current developments at the ACA, outlined the ACA's reorganization and presented key points of the Annual Report 2022. Division and department heads presented, among other things, their current priorities. Discussions centred on how the cooperation between the ACA and MPs could be further improved. The MPs positively highlighted the briefings on the reports.

PARLIAMENTARY ENQUIRIES

In 2023, the president of the ACA received three written parliamentary enquiries from MPs of the Freedom Party of Austria (FPÖ) and one written parliamentary enquiry from MPs of the Social Democratic Party of Austria (SPÖ). The ACA must respond to parliamentary enquiries within a period of two months. In essence, the ACA holds the opinion that the MPs' right to interpellate does not extend to the audit activities of the ACA. Pursuant to section 91a of the National Council Rules of Procedure Act 1975 (Geschäftsordnungsgesetz 1975), the right of the members of the National Council to put questions to the ACA covers "subjects within the scope of competence of the president of the ACA, insofar as they pertain to budget management as defined in the Federal Organic Budget Act (Bundeshaushaltsgesetz), staffing as defined in Article 125 para. 3 of the Federal Constitutional Law (Bundes-Verfassungsgesetz) and the ACA's organization as defined in section 26 para. 2 of the Court of Audit Act (Rechnungshofgesetz)".

from left to right: David Stögmüller (ACA spokesman of The Greens), Johann Singer (vice chairman of the Public Accounts Committee of the ÖVP), Douglas Hoyos-Trauttmansdorff (chairman of the Public Accounts Committee of the NEOS), Wolfgang Zanger (ACA spokesman of the FPÖ) Christian Götz (secretary of the parliamentary group of the SPÖ)



PROVINCIAL PARLIAMENTS

In 2023, the ACA submitted 25 reports to the provincial parliaments. Also at provincial parliament level, the ACA would wish 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. All provincial parliaments address ACA reports and invite the auditors to attend the deliberations on a regular basis.

ACA auditors took part in 30 committee meetings of the provincial parliaments and the Vienna Municipal Council. In addition, President Margit Kraker attended a meeting of the Vienna Municipal Council on 19 December 2023, where seven of the ACA’s reports were up for debate. Moreover, the president reported on the ACA’s activities.

The technical opportunity of attending committee meetings by way of videoconferences is being seized by all provincial parliaments. ACA audit teams joined the meetings of the provincial parliaments’ oversight committees a total of 22 times from Vienna.

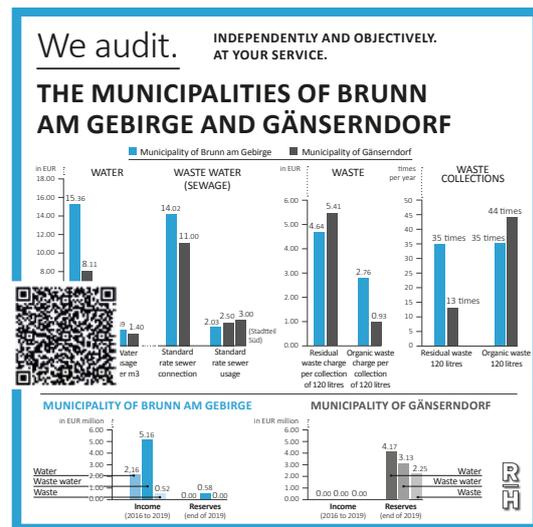
There is one specificity as regards the financial supervisory committee of the Salzburg Provincial Parliament. While the National Council and the provincial parliaments don’t usually hold public committee deliberations, the Salzburg Provincial Parliament provides a live stream of the discussions held in its committee meetings on its website.

MUNICIPAL COUNCILS

The ACA submitted a total of six reports to municipal councils as well as the assemblies of municipal and water associations in 2023.

The ACA attaches great importance to the cooperation with municipal councils. To this end, it seeks to step up such cooperation and, when submitting reports at the municipal level, expressly points out that auditors are available to provide information when the reports are being dealt with by the municipal council. In 2023, the ACA received one invitation in this regard.

On 23 March 2023, the municipal council of Brunn am Gebirge discussed the report “The Municipalities of Brunn am Gebirge and Gänserndorf” (Lower Austria 2022/3). At this meeting, a division head and an auditor of the ACA answered the questions posed by the members of the municipal council.



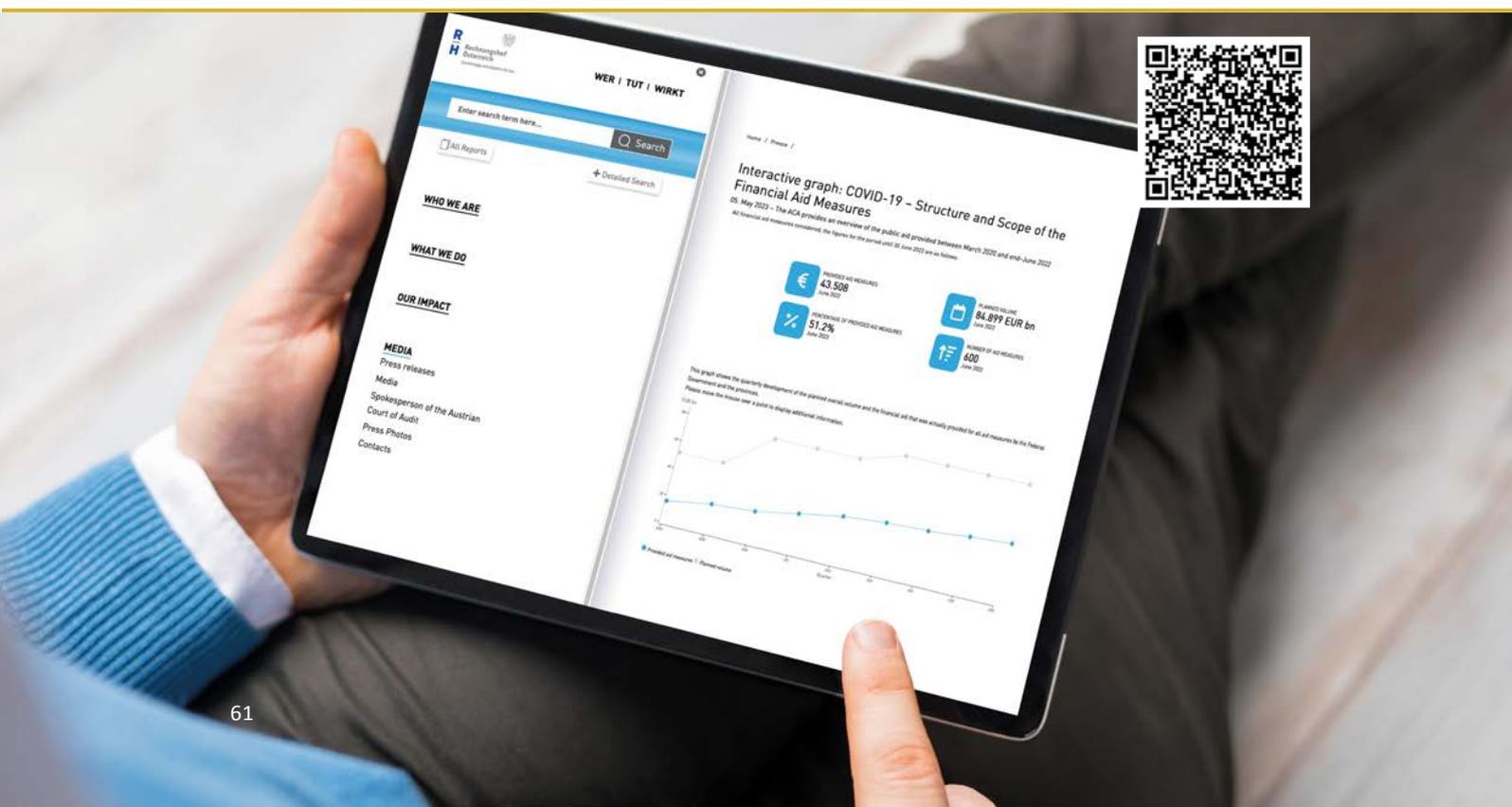
2.5 IT SUPPORT FOR AUDITING

In order to support the audit process, the ACA launched important initiatives in the area of digitalization in 2023 and placed special emphasis on data analytics. In 2023, the ACA's data analytics team was involved in 17 audits. Key activities included collecting, cleansing, analysing and visualizing data that the ACA requested from the audited entities as part of its audits. For the first time, machine learning techniques were used to recognize patterns and information was extracted from websites automatically (web scraping).

The data analytics team developed an application that supports auditors when searching through large volumes of documents: for example, the pilot project involved more than 200,000 documents that had to be searched. For this project, data analysts expanded the functionalities of an open-source search engine by means of customized programming, which allowed auditors to search through the

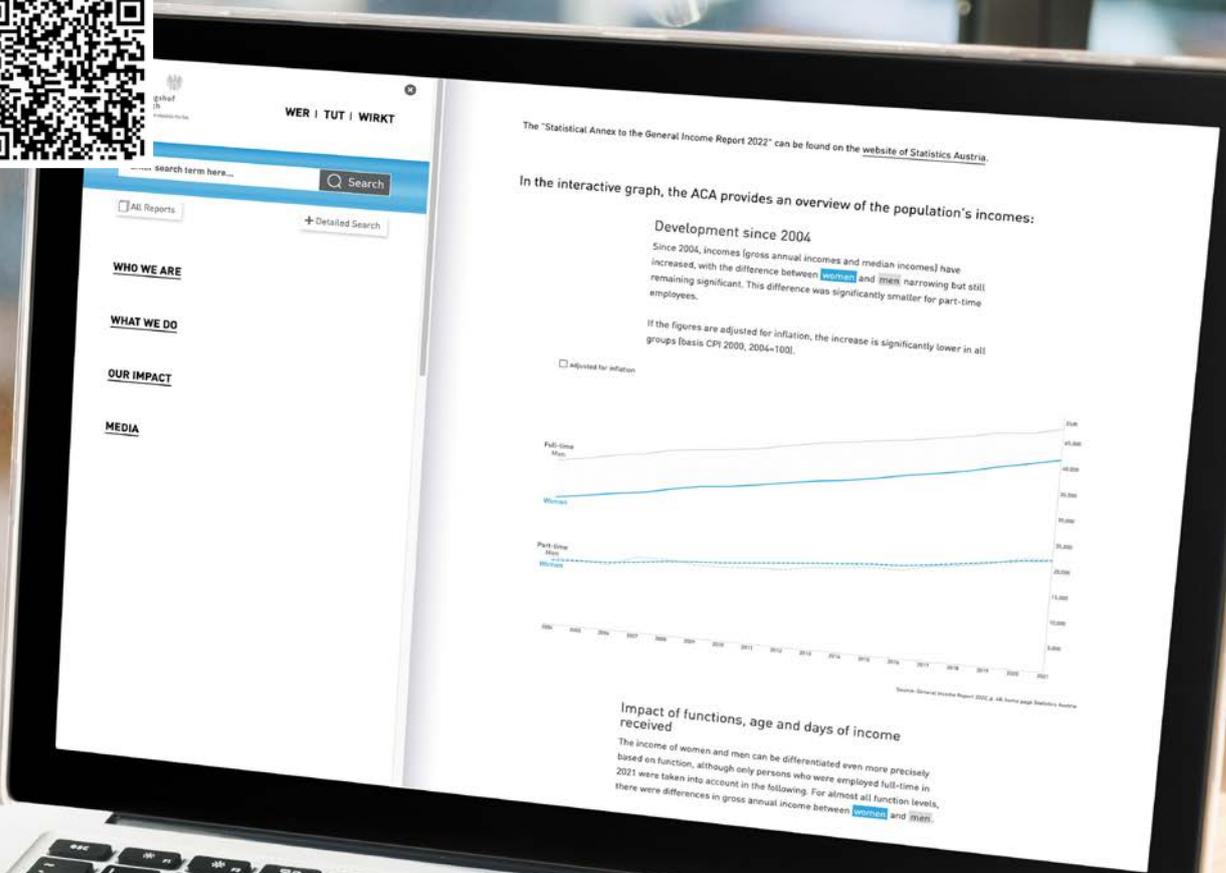
large volume of unstructured documents in a user-friendly and efficient manner. After successful implementation of the pilot project, this software will be made available to all audit departments.

The ACA also expanded its portfolio of interactive graphs and dynamic storytelling formats: in line with its outcome target – establishing transparency on the use of public funds –, a dashboard was redesigned to clearly depict data from the audit on “COVID-19 – Structure and Scope of Financial Aid Measures”. This graph is available at https://www.rechnungshof.gv.at/rh/home/fragen-medien/fragen-medien_3/Interaktive_Grafik_COVID-19_-_Struktur_und_Umfang_der_fi.html An overview of the interactive graphs can be retrieved at <https://rechnungshof.gv.at/interaktiv>.



Towards the end of 2022, the ACA published a detailed interactive graph that provides an overview of the incomes of the Austrian population based on the General Income Report for the reporting years 2020 and 2021. This allowed the General Income Report to be presented as an interactive visualization with time series and breakdown by gender on the ACA's website for the first time. The graph therefore contributes to reaching another one of the ACA's outcome targets: establishing transparency on the actual state of equality between men and women.

The data analytics team also prepared dynamic graphs for the ACA's website for the report on "Sustainability of the Pension System" (volume Federation 2023/29). This storytelling format interactively guides the reader through the audit topic and summarizes key findings. It invites citizens to engage with the ACA's reports in a quick and comprehensive manner.



2.6 PUBLIC RELATIONS

The ACA publishes a report almost every week. The public relations department provides accompanying information in the form of press releases, graphs and charts available on the website and informs citizens on social media. Alongside X (formerly known as Twitter), Facebook and Instagram, the ACA is now also present on the microblogging social platform Bluesky.

THE PODCAST “TRUST” HAS PROVEN SUCCESSFUL

“Trust: The ACA Podcast” is a particularly important communication channel. In the podcast, an in-house production realized at the ACA, President Margit Kraker addresses current issues and informs about relevant topics.

The episode on lessons learned from the COVID-19 pandemic, for example, was met with great interest (season 3 | episode 6). It was recorded on the occasion of the publication of the issues paper “Rechnungshof.Mehr.Wert” (“The.ACA’s.Added.Value”) on the recommendations of action deduced from the COVID-19 pandemic. President Kraker also gave in-depth interviews on this subject in the media. The podcast episode on International Women’s Day on “Ein Tag ist zu wenig” (“One day is not enough”) (season 3 | episode 5) was also very popular. In this episode, the president explained how the ACA wants to make a contribution to gender equality with its reports.



Margit Kraker
**will answer your questions in
the next podcast episode.**

Send us your questions
by e-mail: Trust@rechnungshof.gv.at
or via Twitter: [RHSprecher](#) | FB: [RechnungshofAT](#) | Instagram: [rechnungshofat](#)

TRUST
The ACA
Podcast

**ACA
AUDIT
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Trust: The ACA Podcast is currently available on:

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[Simplecast](#)

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as well as at www.rechnungshof.gv.at/trust

CITIZENS MAKE CONTRIBUTIONS

The ACA continued to attach great importance to citizen participation in 2023. As part of the campaign #zeigenSieauf (#tell_us) citizens were once again invited to submit their audit suggestions, which were taken into account in the audit planning for 2024. The webpage https://rechnungshof.gv.at/rh/home/was-wir-tun/home_3/Buergerbeteiligung1.html presents the already published audits that were carried out based on citizens’ suggestions.

What exactly does the ACA audit – and who audits the ACA? Numerous followers on the ACA’s social media channels are interested in this and other topics. The president of the ACA answered the listeners’ questions in an episode of “Trust” (season 3 | episode 8).

BROAD PUBLIC INTEREST

As part of the kick-off event of the interdisciplinary lecture series “Eine von fünf” (“One out of five”) organized by the Centre for Forensic Medicine of the Medical University of Vienna, President Margit Kraker gave a widely publicized lecture about the report on “Violence and Victim Protection for Women”. In her talk, she highlighted in particular the need for a long-term overall strategy for the protection of women from violence and more preventative measures. The recording of the lecture can be retrieved at <https://volksanwaltschaft.gv.at/>, the website of the Austrian Ombudsman Board.

The ACA also fulfils numerous other publication obligations: for example, it publishes political party donations as well as statements of accounts of political parties on its website as well as the Income Reports and the on the Federal Financial Statements.

WER TUT WIRKT #tell_us

Education, science, arts and culture

Digitalization, security, integration and law

Energy, economy and municipalities

Research, mobility, climate targets

Public finances

Funding, transparency, foreign affairs and EU

Health, care and social matters

Construction, spatial planning, real estate

Political parties and elections, compliance and anti-corruption

The ACA once again invites citizens to submit their audit suggestions by 30 June 2023.

Send us your audit suggestions:
 buergerbeteiligung@rechnungshof.gv.at | FB RechnungshofAT
 Austrian Court of Audit, reference: citizen participation
 Dampfschiffstraße 2, 1030 Wien

Please find all related information at:
https://rechnungshof.gv.at/rh/home/was-wir-tun/home_3/Buergerbeteiligung1.html

You can find us here



- Website
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- Bluesky
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2.7 HIGH APPROVAL RATES FOR THE ACA’S WORK

The ACA set itself the objective of providing effective audit-based advice to the National Council, the provincial parliaments and the audited entities. Thus, in order to improve the quality of its services and to provide them in a needs-oriented and effective manner, the ACA carries out a client satisfaction survey among the members of the National Council and the provincial parliaments.

For 2023, the ACA set a very ambitious target value: 90 per cent 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.

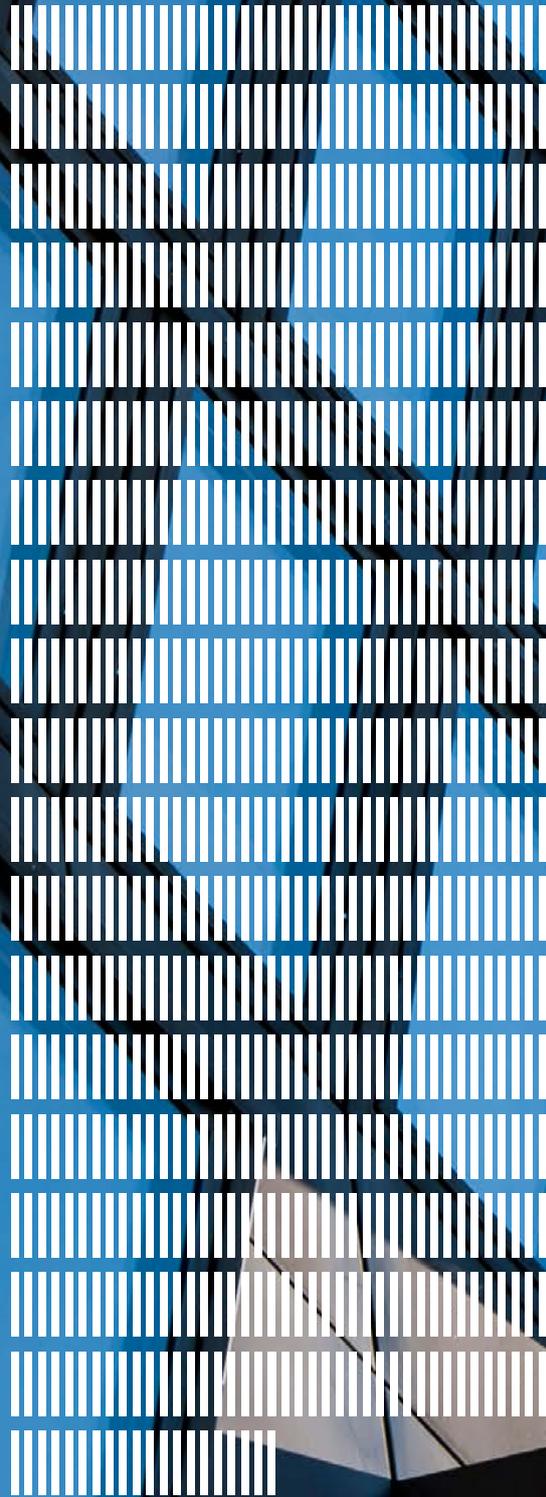
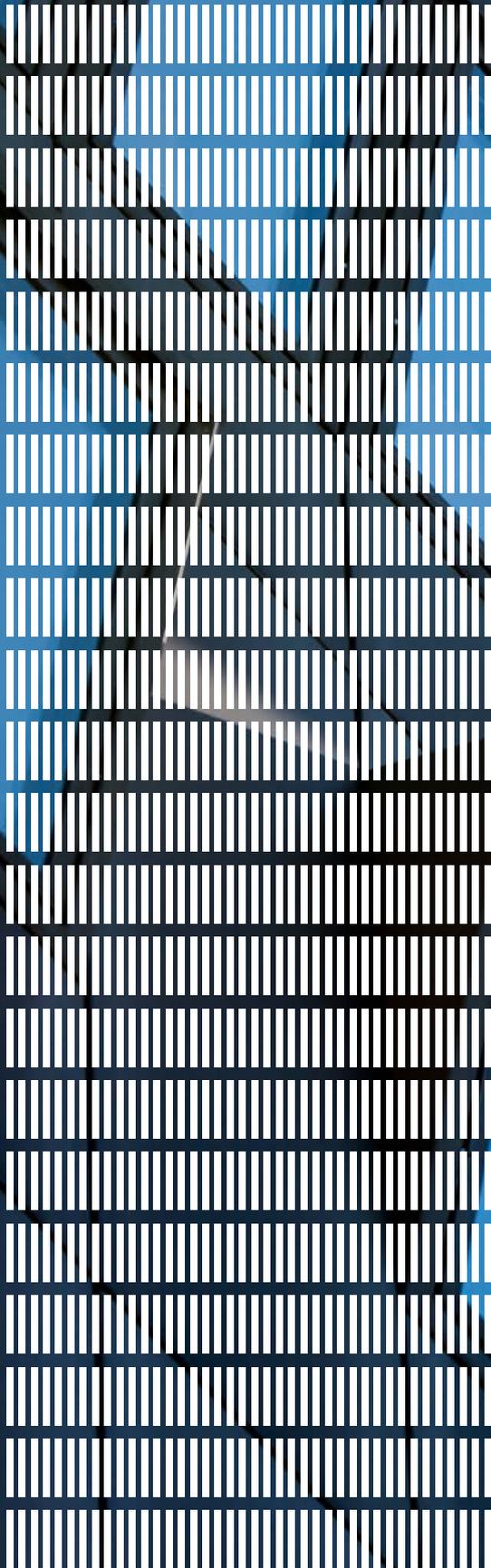
In November/December 2023, the market and opinion research institute OGM carried out the survey on behalf of the ACA. 36 members of the National Council and 86 members of the provincial parliaments responded to the survey, which equals a participation rate of around one fifth of all National Council and provincial parliament members. The survey contained ten questions. In addition to questions addressing the overall opinion on the ACA, four of them referred in particular to the ACA’s outcome target. As regards the “overall opinion on the ACA”, the results revealed a reassuring picture: 92 per cent of the respondents have a very or rather positive opinion on the ACA (see table below):

Question	very positive/ satisfied	rather positive/ satisfied	rather not or not at all positive/ satisfied	overall opinion/ satisfaction
Overall opinion on the ACA	54	38	8	92
Advisory services rendered by the ACA in general	37	34	14	71
Topicality of the themes audited by the ACA	30	57	12	87
Readability and understandability of the ACA’s reports	45	41	14	86
The ACA’s selection of the audited themes	30	59	10	89
Rest to 100 per cent: “other”, “don’t know”, “no opinion”.			Average	85

Result (in per cent)

The findings from the survey make an important contribution to the ACA’s strategy of putting into practice its efficiency and effectiveness also within its own organization. The ACA is pleased with the high approval rates for its work: 85 per cent of the respondents are very or rather satisfied with its work.

For 87 per cent of the respondents the audited themes were topical and 86 per cent found the ACA’s reports readable as well as understandable. The ACA’s advisory services received approval from 71 per cent of the respondents. The ACA’s selection of the audited themes received a very high approval rate of 89 per cent.



1,620

assessed recommendations 2022

*The effectiveness
of the ACA is illustrated
in particular through
the implementation
of its recommendations.*



3. THE ACA'S RECOMMENDATIONS FACILITATE ITS IMPACT

The effectiveness of the ACA is illustrated in particular through 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 the implementation of all the recommendations it had issued in the course of the previous year. 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 issued in 2022, it aimed for a share of 80 per cent with regard to the implemented recommendations, the partly implemented recommendations and recommendations whose implementation was promised. In recent years, the ACA significantly exceeded these consistently ambitious targets and was thus able to maintain the degree of impact at a high level.

3.1 ENQUIRY ON THE DEGREE OF IMPLEMENTATION OF THE RECOMMENDATIONS ISSUED IN 2022

In 2023, the ACA queried 70 auditees about the degree of implementation of the recommendations it had issued in 2022 and assessed 1,620 recommendations. With regard to 17 recommendations, no information was provided or no action had been necessary owing

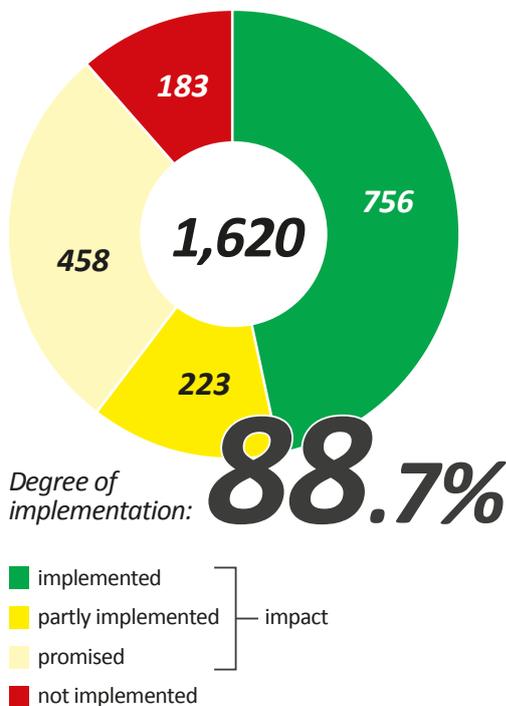
to the developments that had taken place in the meantime.

OVERALL RESULT

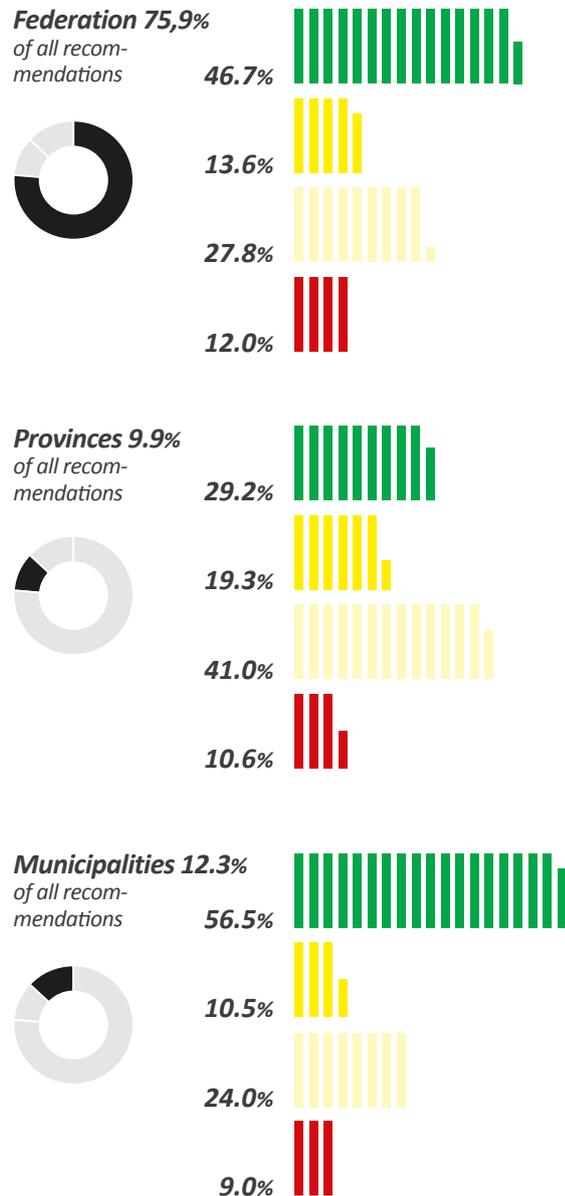
The enquiry carried out in 2023 provided the following result for 2022 (rounded figures):

Broken down by level of government, the results are as follows:

Recommendations 2022



Rounding differences may occur, without other entities

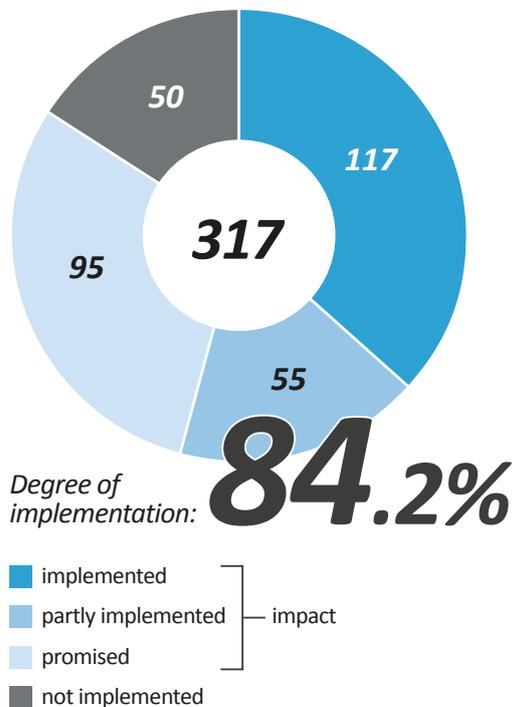


CENTRAL RECOMMENDATIONS

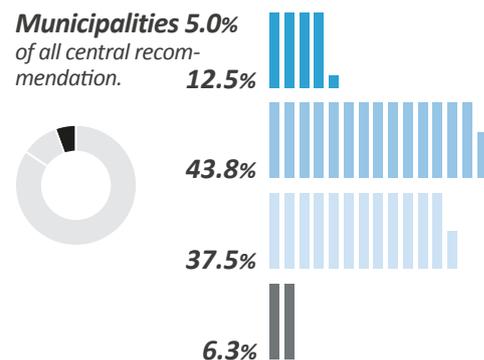
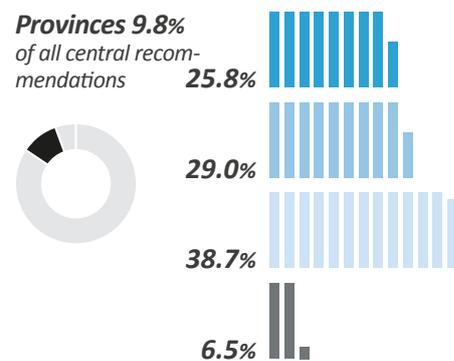
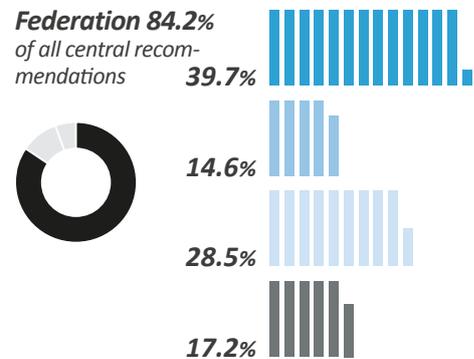
In its executive summaries, the ACA separately highlights the central recommendations of each report (rounded figures):

Broken down by level of government, the results concerning the central recommendations are as follows:

central recommendations 2022



Rounding differences may occur, without other entities



The detailed results of the “**Follow-up Enquiry in 2022**” are part of the Annual Report 2022 (Annex 1, in German) and can be retrieved on the ACA’s website at

www.rechnungshof.gv.at.

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

3.2 QUALITATIVE EVALUATIONS

In order to render the result of the follow-up enquiry more informative, the following section contains qualitative evaluations of those topics that are currently of great concern to the people in Austria. In 2022, the implications of the funding granted to address the COVID-19 pandemic became apparent, making them a priority of the ACA’s audit activities and thus also a priority for the qualitative evaluation. In

Depending on the scope of competencies, it is in particular the Federation, the provinces, the municipalities, the municipal associations, the associated companies or the social insurance providers that are responsible for the implementation of the ACA’s recommendations. Often, the different players need to interact in order to successfully address the challenges in the mentioned areas.

addition, a focus is placed on the areas of sustainability and environmental protection, corruption prevention, benefits for citizens as well as equality and diversity.

The following analyses are based exclusively on the information provided by the audited entities in the framework of the ACA’s follow-up enquiry.

FUNDING



In the past, the ACA has repeatedly highlighted problem areas of public funding and published a number of recommendations, in particular on transparency, the impact of disbursements and the efficiency of public funding.

In 2022, the ACA continued to focus on public funding, particularly that related to the COVID-19 pandemic; for example, it audited “COVID-19 Short-Time Work” (volume Federation 2022/7). The COVID-19 short-time work scheme was a cost-intensive instrument to overcome the pandemic and had a disbursement volume amounting to EUR 7.849 billion in the period from March 2020 to March 2021. The ACA had recommended that the Federal Ministry of Labour and Economy as well as the Public Employment Service Austria include labour market and funding experts of the competent bodies in the conceptual design of funding programmes of a financial and administrative scale similar to the

COVID-19 short-time work scheme, even if the concept has to be designed under time pressure. In addition, retroactive adaptations of eligibility requirements should be avoided with regard to processing cost and legal certainty. These recommendations were implemented.

The Public Employment Service Austria promised to make improvements in the area of verification: in future, it will directly take into account any shortcomings obviously relevant to disbursement that are identified during settlement verifications when determining the amount to be disbursed. In addition, a control concept with risk-oriented criteria to cover unlawful receipt of funding was developed.

The Federal Government assumed the obligation to endow COFAG, which was in charge of processing the COVID-19 aid measures (“COFAG and Grants to Companies”, volume Federation 2022/31) with up to EUR 19 billion. From the ACA's viewpoint, it was understandable that the Federal Government had to take swift decisions with major budgetary consequences as a result of the pandemic in order to prevent permanent damage to the economic structure. However, in light of the use of public funds amounting to up to EUR 19 billion, the forming of political will, the rationales as well as the decision-making process in connection with the design of financial measures and the related regulations should be sufficiently documented. The creation of the

financial measures and the corresponding regulations, the processes as well as the bodies involved should be thoroughly and comprehensively recorded. The ACA had pointed to the fact that this was also required in crisis situations in order to be able to provide evidence of the public administration's economy, efficiency and effectiveness as well as legality. The Federal Ministry of Finance promised to contribute to improving the verifiability of the public administration, to increasing accuracy and to avoiding systematically overfunding companies in the event of future financial measures for companies.

In its report on “Selected COVID-19-Related Services in Tourism and Healthcare” (volume Federation 2022/23), the ACA had recommended that the Federal Ministry for Agriculture, Regions and Tourism, which was the competent ministry at the time, prioritize contract awards over funding when there is a need for a clearly defined service. The Federal Ministry of Labour and Economy, which has been responsible for the area of tourism since July 2022, promised to implement the recommendation, if applicable. The ministry implemented another recommendation made by the ACA; namely demanding regular reports, including evidence of appropriate use of funds, when federal funds earmarked for a specific purpose are made available. The Austrian National Tourist Office now reports directly to the ministry on the use of special funds on a quarterly basis.

The Federal Government also provided substantial funds to the municipalities: EUR 175 million for construction investments as of 1 July 2017 as well as a total of EUR 1 billion for mitigating the economic consequences of the COVID-19 pandemic as of 1 July 2020. Within the scope of its audit of the “Municipal Investment Programmes 2017 and 2020” (volumes Federation 2022/34, Vienna 2022/4), the ACA had examined these earmarked grants and made a series of recommendations. For instance, the Federal Ministry of Finance should coordinate new and existing investment and funding programmes and ensure that funding structures and programmes – which oftentimes work like well-oiled machines between the federal, provincial and municipal level – are not undermined by less stringent eligibility criteria and additional processing agencies. The ministry implemented this recommendation when designing the grant awarded to municipalities for energy-saving measures as part of the Municipal Investment Act 2023 (Kommunales Investitionsgesetz 2023). In addition, the ministry promised to define all requirements necessary for receiving the grant in regulations that would be generally accessible. This should ensure that all potential applicants have the same information.

The ACA also audited “Selected Federal Support Programmes for Tourism” (volume Federation 2022/8). It recommended that the Federal Ministry of Labour and Economy in collaboration with the Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H. (Austrian

Bank for Tourism Development) develop and introduce a rating scheme based on quality criteria in order to assess project applications for TOP tourism funding. This would reflect both the funding objectives as well as the ministry’s priorities, such as the innovation degree and sustainability of projects or the prioritization of problem areas in tourism. Furthermore, such an assessment tool would ensure the verifiability of funding decisions. The Federal Ministry of Labour and Economy implemented the recommendation.

SUSTAINABILITY AND ENVIRONMENTAL PROTECTION



The ACA places special emphasis on ensuring that public funds contribute to sustainable development as defined in the United Nations 2030 Agenda and to environmental protection.

In its report on “The United Nations Sustainable Development Goals, Implementation of the 2030 Agenda in Austria; Follow-up Audit” (volume Federation 2022/5), the ACA highlighted the progress made in implementation. At the same time, however, it found that there was a need to take further action in order to implement the Sustainable Development Goals. Neither the Federal Chancellery nor the Federal Ministry for European and International Affairs worked towards preparing a nationwide implementation plan with clearly defined responsibilities, specific measures and a timeline for implementing the 2030 Agenda. The two ministries merely promised to attempt to anchor the Sustainable Development Goals in the federal outcome targets – analogous to the equality target – on the occasion of an amendment to the Federal Organic Budget Act 2013 (Bundeshaushaltsgesetz 2013).

Ensuring sustainable forestry makes a significant contribution to climate protection. The audit on “The Forest and Climate Change: Strategies and Measures” (volumes Federation 2022/37, Carinthia 2022/4, Lower Austria 2022/4) aimed at assessing the situation of forests in Austria in the face of climate change as well as forest-specific strategies and measures.

For forests to be resilient to environmental impacts, it is important to mix tree species. The ACA therefore recommended that the Federal Ministry for Agriculture, Forestry, Regions and Water Management primarily incentivize measures for mixing trees of different species and ages within the existing funding system. The ministry partly implemented this recommendation: it provided substantial funds for reforestation and forest restructuring. However, EU legal bases did not allow for such preferential incentives within the funding programme, according to the ministry.

The success of regeneration and reforestation measures was often compromised by game damage. In the implementation of an ACA recommendation, both the province of Carinthia and the province of Lower Austria took measures in order to achieve game populations that are sustainable for the forest, without thwarting reforestation and regeneration measures: for example, the province of Carinthia imposed a feeding ban on funding applicants in project areas with land use within the scope of

their funding agreements; the province of Lower Austria prescribed priority and closed season game shooting.

In its report on “Plastic Packaging Waste” (volume Federation 2022/36), which focussed on the collection and recycling of plastic packaging waste, the ACA also addressed a current topic relevant to the environment. Complex regulations hamper the correct disposal and monitoring of packaging waste for all players. The ACA had therefore recommended that the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology advocate for a further simplification of legal provisions. However, so far it has not been possible to implement the proposal for the abolition of the distinction between household packaging and commercial packaging due to massive resistance from stakeholders. Licencing fees are not yet graduated according to ecological criteria (eco-modulation) in Austria; however, the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology has promised to do so. This will support recycling-friendly design of packaging in the future. The ministry also promised to step up supervision and monitoring, which it has already done to a certain extent. This is intended to contribute to meeting the required recycling rates and to financing the overall system.

The ACA also addressed the topic of waste management, among other things, in its report “Construction of the S10 Mühlviertel Motorway; Follow-up

Audit” (volume Federation 2022/6). It had criticized the handling of hazardous waste (containing asbestos) and recommended raising awareness of the problem among all project participants by providing targeted information. Subsequently, the ASFINAG Bau Management GmbH took a set of measures, for example working aids in the form of manuals, in order to ensure the legally compliant collection and treatment of waste, in particular of hazardous waste. In addition, tender specifications of the local supervision authority of building works henceforth provide that evidence of the relevant competence has to be provided for earthworks lots and construction lots involving high-risk waste. General questions about waste can be put to an expert from the fields of environment and process management.

CORRUPTION PREVENTION



In the past, the ACA carried out a series of audits in the areas of internal control systems as well as corruption prevention and prepared guidelines on these topics. In 2022, it continued to carry out multiple audits of compliance and anti-corruption measures.

In its report on “Contract Awards at the ASFINAG Bau Management GmbH and the ÖBB-Infrastruktur Aktiengesellschaft” (volume Federation 2022/10), the ACA identified room for improvement – even though essential components of a compliance management system were in place at the audited companies. And it made an impact: ASFINAG, the ASFINAG Bau Management GmbH as well as the ÖBB-Holding AG and the ÖBB-Infrastruktur AG implemented the ACA’s central recommendations. For instance, ASFINAG prepared a code of conduct and published it on its intranet as well as on the group’s website. In addition, it sent the code of conduct to all employees by post. The ÖBB-Holding AG established an electronic whistle-blower system for the entire ÖBB group. The ASFINAG Bau Management GmbH and the ÖBB-Infrastruktur AG took a number of meas-

ures in order to spot price agreements, territorial divisions and other anti-competitive practices during the examination of bids. The ÖBB-Infrastruktur AG introduced rules for documenting award procedures, which are conducted both on the tender platform and outside of it. When it comes to obtaining comparative offers for direct awards and documenting bidder requests or comparative offers received, the ASFINAG Bau Management GmbH had the internal obligation to obtain at least three offers for contracts with an estimated contract value above EUR 5,000. In addition, the ASFINAG Bau Management GmbH raised awareness of compliance with the internal rule of obtaining comparative offers among all department and regional directors. It introduced additional authorization requirements and mandatory reporting for direct awards without comparative offers.

Complying with statutory and other provisions when selecting persons for offices at public companies represents another important aspect of compliance. The Federal Ministry of Labour and Economy, the Federal Ministry of Finance as well as the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology should – in accordance with the recommendations made by the ACA in its report on “Supervisory Boards: Selection Processes in Ministries” (volume Federation 2022/11) –, among other things, implement objective, transparent, comprehensible and defined processes for appointing supervisory board members.

This also includes documenting the reasons for the decisions. The three audited ministries implemented the recommendation.

In its report on “COFAG and Grants to Companies” (volume Federation 2022/31), the ACA had recommended ex ante evaluations of dual functions, long-standing functional and working relationships of persons as well as close institutional relationships as regards possible conflicts of interest or a high homogeneity within supervisory boards when appointing board functions in the area of public sector equity interest management. Furthermore, a cooling-off period should be envisaged for staff members of ministries and cabinets whose work involves close contact with affiliated companies or who are involved in the preparation of the establishment of public companies before taking on management positions at these companies. The Federal Ministry of Finance partly implemented the recommendation and promised to fully implement it in the future.

The ACA also made a number of compliance-related recommendations to the Österreichische Bundesforste AG (Austrian Federal Forests) (“Real Estate Administration by the Österreichische

Bundesforste AG”, volume Federation 2022/38). Referencing the associated role model effect, these recommendations included working towards the publication of a statement of commitment to comply with the code of conduct by the executive and supervisory board members. The staff members should be obliged to acknowledge and commit to observing the code of conduct in writing. The function of a compliance officer, who should collaborate with the executive board as closely as possible, should be established, their tasks should be defined and they should be freed of instructions in specialist matters. Moreover, compliance reporting should be established; reports received should be used to further develop risk management and the compliance management system. The Österreichische Bundesforste AG implemented or promised to implement all recommendations in the area of compliance.

BENEFITS FOR CITIZENS



The ACA attaches great importance to ensuring the benefits of public services. This includes auditing whether public funds are used in a needs-based and effective manner for the benefit of the citizens.

In its report on “Österreichische Post AG – Quality of Mail and Parcel Delivery for Universal Service” (volume Federation 2022/1), the ACA had highlighted shortcomings in the long-term safeguarding and the forward-oriented approach of the basic provision of postal services, the so-called universal service. Revealing these issues made an impact: The Post AG started paying more attention to the unjustified issuance of delivery notifications (“yellow notices”); among other things, it increased the number of drop-off authorizations and introduced new products that permit a delivery process without signature.

As regards the universal service, the ACA had recommended that the Federal Ministry of Finance as the supreme postal authority periodically evaluate it in terms of practicality, economic efficiency and quality of service. The Federal Ministry of Finance did not imple-

ment this recommendation. The Federal Government and the National Council therefore lack a basis for drawing conclusions on the future development and safeguarding of the universal service.

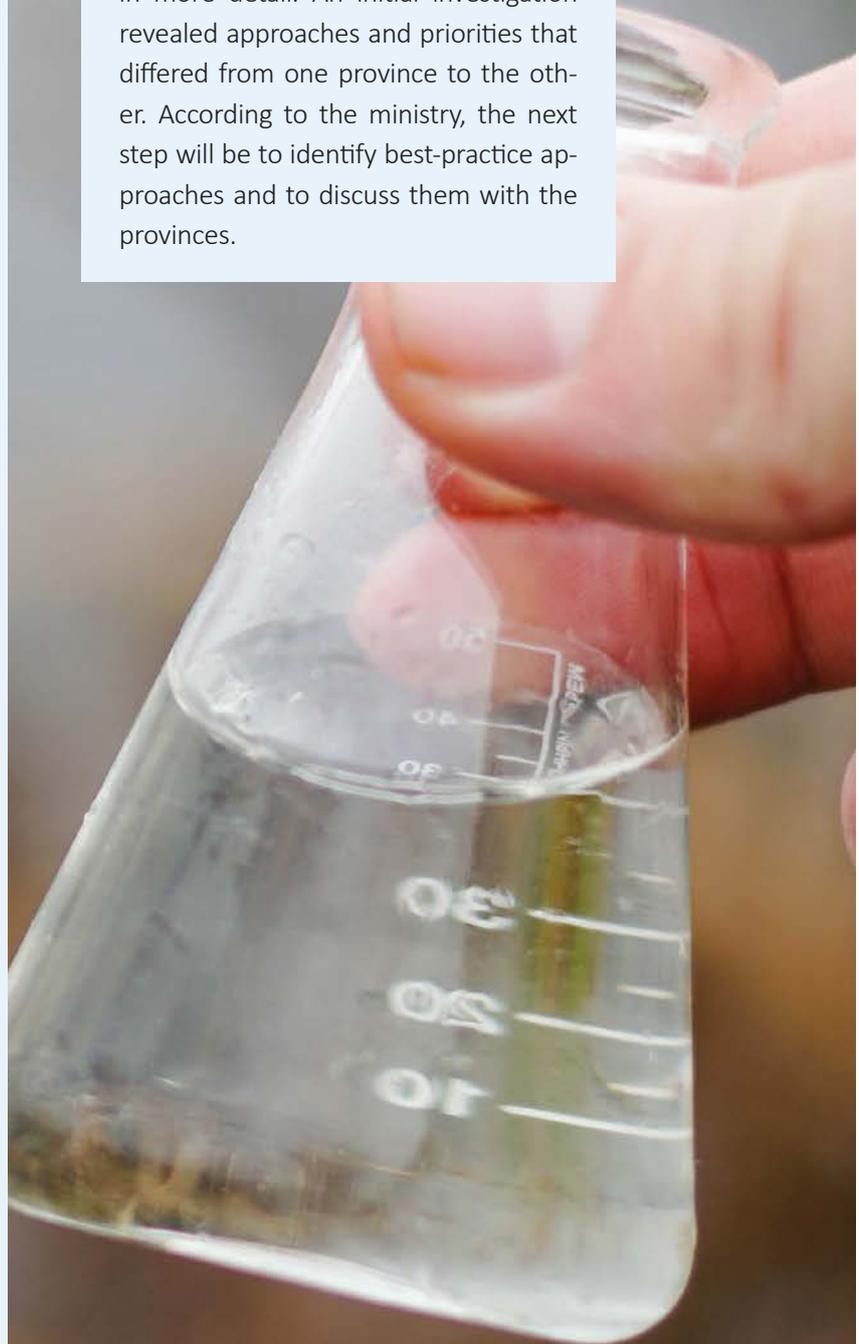
In its audit on “Legal Remedies in Tax Administration” (volume Federation 2022/21), the ACA addressed the complexity of tax legislation. It highlighted that the Federal Ministry of Finance did not have a comprehensive overview of those legal bases that were particularly susceptible to appeal. As regards the recommendation that the tax default risk be assessed and measures for simpler, more comprehensible and more transparent tax legislation be taken, the Federal Ministry of Finance referred to the political declaration of intent in the Government Programme 2020-2024 and the amendments to the Tax Amendment Act 2022 (Abgabenänderungsgesetz 2022) in the follow-up enquiry. However, the simplification of tax legislation announced in multiple Government Programmes has not yet occurred. Without the implementation of the declarations of intent, the often-mentioned need for reform stands.

Disputes that arise in legal housing matters often require settlement in court or the involvement of an arbitration board for legal housing matters. The latter are easy-to-access and citizen-oriented institutions providing legal protection that are aimed at enabling people to reach a decision in a legal housing matter and to assert their rights within a reasonable time frame. In its report on “Arbitration

Boards for Legal Housing Matters with a Focus on the Cities of Innsbruck and Salzburg” (volumes Federation 2022/24, Salzburg 2022/3 and Tyrol 2022/3), the ACA highlighted a need for reform. Among other things, it had ascertained a long duration of proceedings in Innsbruck and in Salzburg and recommended that the legally stipulated maximum duration of six months be ensured in all proceedings. The audited entities partly implemented this recommendation: by using a document management system or making organizational and procedural changes, they were able to shorten the duration of proceedings and thus – in the spirit of a citizen-oriented institution providing legal protection – conclude the proceedings faster than was previously the case.

In its audit on “Water Monitoring in Carinthia and Upper Austria” (volumes Federation 2022/15, Carinthia 2022/2, Upper Austria 2022/2), the ACA had stressed that there were no (minimum) standards for essential areas of water monitoring. This resulted in the fact that the audited provinces fulfilled their responsibilities with regard to water monitoring in differing ways. In the meantime, the Federal Ministry for Agriculture, Forestry, Regions and Water Management has partly implemented the recommendation for defining minimum standards for the performance of water police duties and for water status monitoring in collaboration with the provinces. Together with the provinces, the ministry launched a process for the development of a guideline that

regulates the performance of water police duties and water status monitoring in more detail. An initial investigation revealed approaches and priorities that differed from one province to the other. According to the ministry, the next step will be to identify best-practice approaches and to discuss them with the provinces.



EQUALITY AND DIVERSITY



As was the case in previous years, the ACA continued to focus on ensuring transparency in the areas of equality and diversity in 2022. In its reports, the ACA repeatedly highlighted objectively unjustifiable differences and inequalities between women and men. However, the ACA was often unable to assess such cases of inequality due to deficient or lacking data sets. The ACA's recommendations were therefore aimed at improving the availability of data, among other things.

For example, the Federal Ministry of Labour and Economy as well as the Federal Ministry for Arts, Culture, the Civil Service and Sport were recommended to also take the evaluation of gender aspects in the field of arts and culture into account when collecting and providing data pertaining to the Hardship Fund ("COVID-19 Measures for Artists, Cultural Workers and Art Mediators", volume Federation 2022/25). The Federal Ministry for Arts, Culture, the Civil Service and Sport implemented the recommendation – unlike the Federal Ministry of Labour and Economy. Furthermore, the ACA had recommended that the Federal Ministry of Labour and Economy as well

as the Public Employment Service Austria maintain the gender-specific analysis of the use of the COVID-19 short-time work scheme, which has been part of the reports to the National Council since February 2021 ("COVID-19 Short-Time Work Scheme", volume Federation 2022/7). Both of the audited entities acted on this recommendation.

A balanced share of women in management positions and decision-making bodies is also an important aspect for achieving actual equality between women and men. In this connection, the ACA had recommended paying greater attention to the quota for women's representation when appointing supervisory board members at public companies in its reports on "Supervisory Boards: Selection Processes in Ministries" (volume Federation 2022/11) and "Real Estate Administration by the Österreichische Bundesforste AG" (volume Federation 2022/38). The audited ministries (the Federal Ministry of Labour and Economy, the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology, the Federal Ministry of Finance and the Federal Ministry for Agriculture, Forestry, Regions and Water Management) implemented this recommendation.

When auditing the "Private Hospitals Financing Fund – PRIKRAF" (volume Federation 2022/29), the ACA had noted, among other things, that the share of women on the fund commission of PRIKRAF amounted to only nine per cent. The Federal Ministry of Social Affairs, Health,

A background image showing a hand pointing towards a door. On the door, there is a blue square sign with a white wheelchair symbol and a circular sign with a white arrow pointing upwards. The scene is brightly lit, suggesting an indoor setting.

Care and Consumer Protection promised to continue to work towards increasing the share of women.

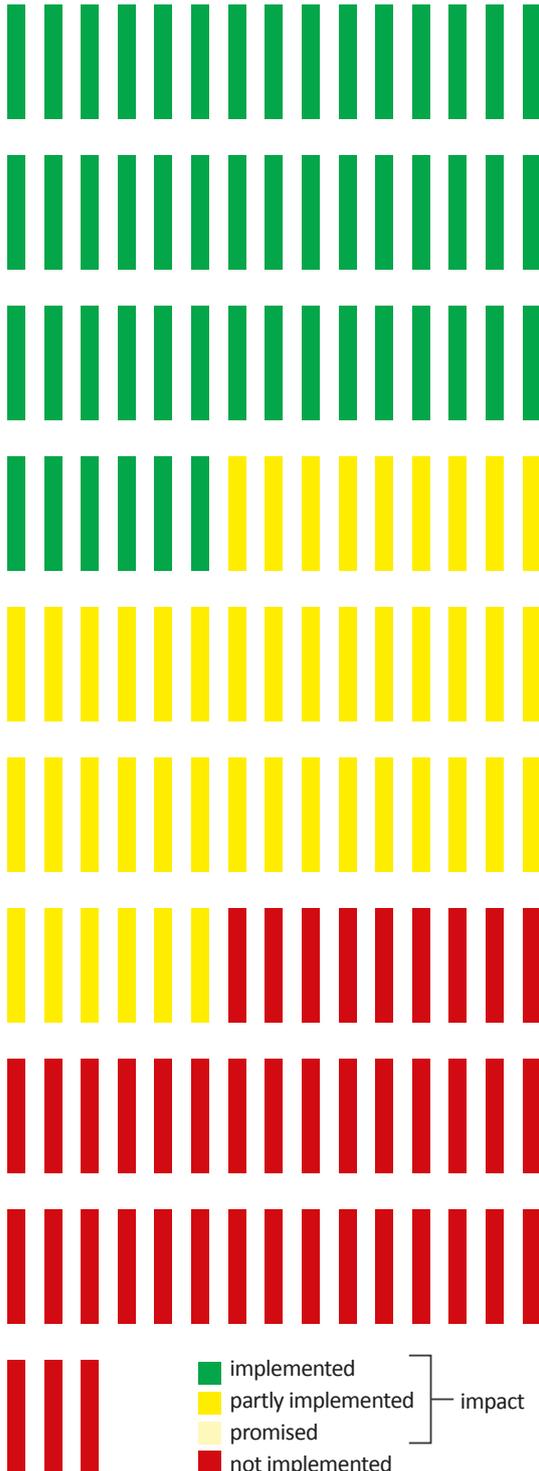
With its report on “Working and Studying in a Barrier-Free University Environment” (volume Federation 2022/19), the ACA was able to initiate substantial improvements for employees and students with disabilities at universities. For instance, the Federal Ministry of Education, Science and Research addressed the issue of greater compliance with the obligation to employ eligible disabled persons as defined in the Employment of Persons with Disabilities Act (Behindertengleichstellungsgesetz) with all universities during meetings accompanying the performance agreements in autumn 2022.

In the meantime, with a view to initiating an exchange of experience in staff matters among the universities, the University of Natural Resources and Life Sciences Vienna and the Graz University of Technology have also joined forces with other universities in order to better comply with the obligation to employ eligible disabled persons using best-practice examples. People with disabilities can therefore find better employment opportunities at universities in the future, and the universities can use funds that were previously spent on compensation tax more effectively on teaching and research.

Upon the ACA’s recommendation, the University of Natural Resources and Life Sciences Vienna and the Graz University of Technology took further measures (such as events, brochures) in order to raise awareness of their support units, in particular among students with disabilities. In addition, the University of Natural Resources and Life Sciences Vienna launched a project for improving the accessibility of its website in the second quarter of 2023. The recommendation made by the ACA to the Federal Ministry of Education, Science and Research regarding the revision of the regulation on study grants for students with disabilities remained unheeded.

The follow-up audits

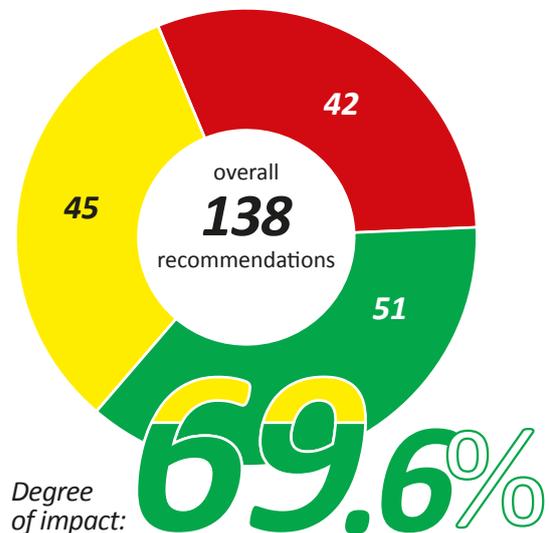
*are the second stage of the
outcome assessment process.*



3.3 FOLLOW-UP AUDITS 2023

The so-called follow-up audits are the second stage of the outcome assessment process. Based on the results of the enquiry, the ACA ascertains the actual implementation of selected recommendations on site. In 2023, the ACA published eight follow-up audit reports. Therein, it assessed the implementation of 138 recommendations: 51 (37.0 per cent) had been implemented fully and 45 (32.6 per cent) had been implemented partly. This shows that 69.6 per cent of the ACA's recommendations had made an impact. 42 recommendations (30.4 per cent) had not been implemented. The ACA was able to attain the target it had set for its follow-up audits in 2021 and 2022. However, the degree of impact amounting to 69.6 per cent in 2023 fell considerably short of the target of 80 per cent. This can be attributed to the report on "Old-age Care in Austria and Funding of 24-Hour Care; Follow-up Audit", which shows that despite the progress made, there is still a strong need for action in this area. Without taking this report into account, the degree of impact would amount to 87.6 per cent.

All recommendations assessed in 2023



In its report on the “Federal Office for Immigration and Asylum; Follow-up Audit” (volume Federation 2023/4), the ACA examined in particular its recommendations with regard to improving the flexibility of staff deployment and the conducting of proceedings, which it considered particularly relevant to managing refugee movements. It ascertained that the Federal Office for Immigration and Asylum – in line with the ACA’s recommendation – had taken major steps in order to ensure that asylum proceedings are completed within the statutory period of six months. This had been achieved primarily by monitoring the duration of proceedings, by distributing dossiers in the event of unequal workloads in the organizational units and by taking measures in the areas of staff and processes. This procedural flexibility is essential in order to be able to promptly react to changing circumstances.

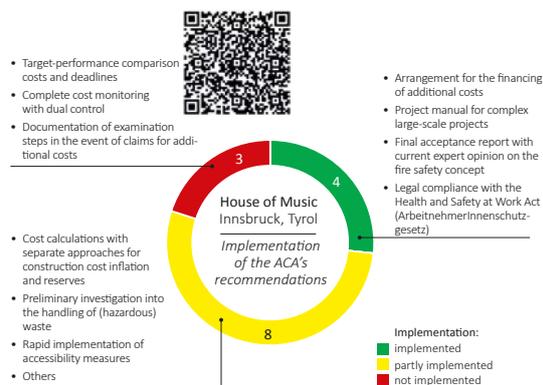
With regard to the fluctuating workload, the ACA had recommended in its preceding report that the Federal Office for Immigration and Asylum develop a personnel management system in line with the workload. The Federal Office for Immigration and Asylum and the Federal Ministry of the Interior implemented the recommendation, which led to a demand-oriented and variable deployment of staff members in the area of asylum and immigration law.

In order to prevent asylum seekers from evading the proceedings and to be able to process information on such persons more efficiently, concrete measures, such as automated reports in the IT application “Integrierte Fremdenadministration” (integrated foreign national administration), would still have to be taken.

In its report on “House of Music in Innsbruck; Follow-up Audit on the Basis of Selected Con-

struction Projects” (volume Tyrol 2023/4), the ACA pointed out that almost three quarters of the 15 recommendations audited still required action. The construction of the House of Music in Innsbruck cost a total of EUR 65.07 million and exceeded the initial framework and financing agreement by EUR 3.67 million. Neither at its opening in October 2018 nor at the time of the ACA’s follow-up audit did it fully comply with the statutory accessibility requirements. The Innsbrucker Immobilien GmbH & Co KG, a company owned by the city of Innsbruck, and the city of Innsbruck also failed to implement an accessible solution for the tactile guidance system in the access area.

Effectiveness of the ACA



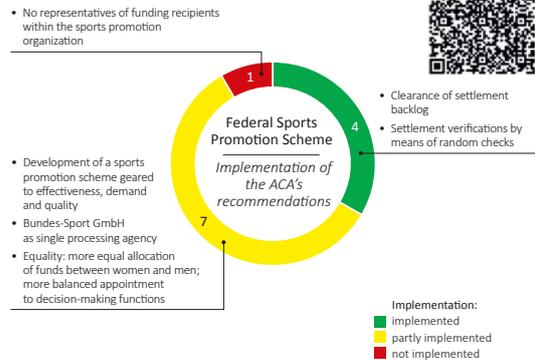
In connection with ongoing construction projects (including the federal high performance centre American Football Innsbruck-Tivoli), the ACA had recommended monthly target-performance comparisons of costs and deadlines in compliance with the principle of dual control. However, the Innsbrucker Immobilien GmbH & Co KG did not implement this recommendation. Within the scope of the audited construction projects, costs and deadlines were only analysed in isolated cases. There was also no evidence of compliance with the principle of dual control.

In addition, the ACA did not find the documentation of the examination and commissioning of claims for additional costs in the construction process of the House of Music to be transparent and comprehensible. The Innsbrucker Immobilien GmbH & Co KG did not document the examination steps of the two largest claims for additional costs within the scope of the construction projects Haydnplatz residential building and Müllerschule school accounting for a total of EUR 80,753 and thus also violated its own internal requirements.

In its report on the “Federal Sports Promotion Scheme, Follow-up Audit” (volume Federation 2023/20), the ACA reiterated its criticism of the lack of accuracy and effectiveness of the sports promotion scheme. The restructuring of the federal sports promotion scheme in 2018 had not brought any clear advantages over the old structure of the Federal Sports Promotion Fund. In particular, the distribution of funds and the decision-making structures remained unchanged: on the one hand, the same organizations received statutory minimum funding, on the other hand, two commissions of the Bundes-Sport GmbH were dominated by funding recipients and had strong rights with regard to the funding process. The lack of a clear distinction between funding body and funding recipients gave rise to conflicts of interest.



Effectiveness of the ACA



The funds from the federal sports promotion scheme – which were made up of funds from the federal budget, the Gambling Act (Glücksspielgesetz) and the COVID-19 Crisis Management Fund – amounted to a total of EUR 157.64 million in 2021. Most recently, 90 per cent of disbursed funding went to organized sports (excluding funds from the COVID-19 Crisis Management Fund). The sports promotion scheme was thus strongly oriented towards

maintaining existing sports association structures and not well-suited for driving innovation. The Federal Ministry for Arts, Culture, the Civil Service and Sport implemented the ACA's recommendation and developed a sports promotion scheme that was more strongly oriented towards strategic requirements and minimum quality standards. However, the new sports promotion scheme had only a minor influence on the distribution of funding and the decision-making structures, as the majority of funding allocations were stipulated by law. Hence, the ACA recommended further developing the promotion scheme.

The Österreichischer Fußball-Bund (Austrian Football Association) and the three federal umbrella associations for sports were the largest funding recipients. Together they received – also due to statutory provisions – around 40 per cent of the funds from the federal sports promotion scheme (excluding funds from the COVID-19 Crisis Management Fund), as had been already the case in 2016.

Women holding decision-making functions remained under-represented in the area of sports. The Federal Ministry for Arts, Culture, the Civil Service and Sport increased the share of women among department heads, on commissions and on the federal minister's advisory board. However, there was no woman on either the management board or the supervisory board of the Bundes-Sport GmbH.

In its report on the "Vienna State Opera; Follow-up Audit" (volume Federation 2023/28), the ACA noted that especially its central recommendation, i.e. passing on all relevant costs and benefits to other companies of the Bundestheater group for the sake of cost transparency, was implemented. The Wiener Staatsoper GmbH (Vienna State Opera) started to

analyse the costs incurred by the Vienna State Ballet and to use cost rates for the services the Ballet provided when performing at the Vienna Volksoper. Since 1 September 2022, the Volksoper Wien GmbH has been reimbursing the pro-rata costs on the basis of an addendum to the ballet cooperation agreement. Furthermore, the Wiener Staatsoper GmbH renegotiated the passing on of costs incurred by the stage orchestra with the Volksoper Wien GmbH and geared it to the results of a contribution margin calculation. However, the cost rate per performance that was most recently agreed in October 2022 fell short of the actual costs by more than 50 per cent.

Upon the ACA's recommendation, the Wiener Staatsoper GmbH also ceased allocating ticket quota to travel agencies and ticket distribution companies almost entirely. In addition, the Bundestheater Holding GmbH took numerous measures aimed at limiting the profit-oriented ticket trade operated by third parties for commercial purposes. Moreover, by transitioning the whole group to a new ticketing system as of the season 2022/2023, it restructured the whole ticket allocation system.



In its report on the “Federal Research and Training Centre for Forests, Natural Hazards and Landscape; Follow-up Audit” (volume Federation 2023/37), the ACA noted that the Federal Research Centre’s financial results recorded losses as of 2018. The Federal Research Centre as well as the Federal Ministry for Agriculture, Forestry, Regions and Water Management failed to thoroughly examine the scope of responsibilities within the framework of a task review in order to obtain a basis for the development of a sustainable and stable financing concept. The Federal Research Centre generated high revenues by implementing projects on forest-related topics, at the same time, however, expenditure rose, for example due to increased staff expenditure, projects that did not break even, accommodation and catering operations run by the forest training centres that did not break even as well as increasing renting costs at the Traunkirchen site. The capped annual basic grant awarded to the Federal Research Centre was increased by EUR 2 million to EUR 17.50 million as of 2023; however, it was not clear whether this increase would suffice in order to break even in the long-term when responsibilities remain unchanged. In fact, the Budget Accompanying Act 2024 (Budgetbegleitgesetz 2024) provided for basic grants for the Federal Research Centre amounting to EUR 22.5 million annually in 2024 and 2025 – i.e. additional EUR 10 million for the two years.

The final invoice for the construction project in Traunkirchen was available in January 2023; the forestry school and the forest training centre moved in in September 2018. Compared to the plans made in 2014, which assumed overall costs amounting to EUR 17.20 million and a useful area of 7,100 m², the project’s overall costs ended up amounting to EUR 42.70 million after expansions and facilities improvements;

the useful area accounted for around 15,000 m² in the end. The Federal Research Centre continued to be the main tenant of the entire site and the ministry rented more than half of it – 32 per cent for the forestry school and 26 per cent for a natural hazards and research cluster. Since the ministry continued to make use of only a small part of the natural hazards and research cluster at the time of the ACA’s follow-up audit, almost a quarter of the entire site remained unused. As at January 2023, vacancy costs amounted to EUR 32,800 per month.

In its report on “E-Mobility; Follow-up Audit” (volume Federation 2023/38), the ACA primarily examined Austria’s objective of increasing the number of registrations of fully electric vehicles (EV) from 110,000 in December 2022 to 1.6 million in 2030. This would mean that in 2030 a third of all passenger cars would have an all-electric engine. In order to achieve this objective, 186,000 out of the 300,000 vehicles that are newly registered every year would have to be EVs. The attainment of this ambitious target would have to be monitored on an ongoing basis and the measures for promoting e-mobility would have to be adjusted in a timely manner, if necessary.

Tax shortfalls in 2022 – resulting from 3 per cent of EVs among already registered cars and 22 per cent of EVs among newly registered passenger cars – amounted to at least EUR 460 million owing to tax exemptions for EVs. Therefore, the reduction in tax revenue that is expected in the future would have to be quantified on an annual basis and appropriate budgetary measures would need to be taken.

The Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology defined quantified objectives for the expansion of the charging infrastructure on

the high-level road network in order to be able to charge the desired number of EVs. In agglomerations, it financed the expansion of the charging infrastructure on sites with longer stopover times. In addition, it funded non-public charging stations. Measures would have to be taken in a timely manner in order to ensure that the expected number of EVs can be charged.

The life cycle assessment of plug-in hybrids with petrol engines showed only slightly better results than that of passenger cars with combustion engines and at the same time significantly worse results than that of fully electric vehicles. The environmental impact of individual vehicle segments would therefore have to be comprehensibly factored into the design of funding for electric vehicles.

In its report on “Old-age Care in Austria and Funding of 24-Hour Care; Follow-up Audit” (volumes Federation 2023/39, Upper Austria 2023/7, Vienna 2023/8), the ACA highlighted that the Federation and the provinces had undertaken several projects and negotiation steps with regard to reforming old-age care since the ACA’s preceding audit. However, central recommendations made by the ACA remained unheeded. A comprehensive old-age care reform was still outstanding.

As regards financing, the fragmentation of payment flows earmarked for old-age care had continued to worsen without the overall management instruments being strengthened: there were no harmonized needs and development plans. No uniform quality concept with a standardized measuring approach had been prepared. Despite various federal and provincial efforts, staff was needed even more urgently than at the time of the preceding audit.

Upon recommendation, adaptations were made with regard to the selection of random samples for home visits, inspection visits were consistently carried out following the identification of shortcomings and the quality certificate was introduced for 24-hour care.

The necessary cooperation between several levels of government due to the legal situation and differing objectives (relating to the comprehensive provision of in-kind allowances and the greatest possible degree of self-determination for those in need of care) hampered a fundamental reform. Regionally diverging economic framework conditions, in particular in the labour market, could increase personnel differences in the area of long-term care in the provinces. This would further hinder harmonizing efforts, for example as regards staffing ratios.

The ACA considered an old-age care reform with coordinated needs and development plans, a uniform quality concept, harmonized human resource planning and a holistically designed sustainable financing system to be more urgent than ever.

In its report on the “Stadtwerke Klagenfurt Aktiengesellschaft; Follow-up Audit” (volume Carinthia 2023/6), the ACA noted that the Klagenfurt public utility company – which is wholly owned by the city of Klagenfurt am Wörthersee – was able to increase its profitability in the period from 2018 to 2020. Due to the unforeseeable increases in energy costs in 2021, the Klagenfurt public utility company reported negative earnings before tax amounting to EUR 4.48 million in 2021.

The hikes in electricity and gas prices in particular led it to forecast positive earnings before tax amounting to EUR 5.74 million in 2022, which are supposed to rise to EUR 38.47 million according to the 2023 budget and thus to increase more than six-fold compared to 2022.

Despite the budgeted profitability increases, the operative cashflow that the Klagenfurt public utility company planned for the period from 2023 to 2026 can only cover 77 per cent of the budgeted investments in the amount of EUR 239.06 million. Even when taking a shareholder contribution of the city of Klagenfurt am Wörthersee for the planned construction of the Klagenfurt family and sports indoor swimming pool amounting to EUR 49.50 million into account, this leaves a EUR 4.34 million investment gap. The project also lacked funding commitments from the Federation (EUR 5 million) and the province of Carinthia (EUR 4 million). Furthermore, the public utility company listed additional “necessary” investments totalling EUR 97.48 million, which were neither included in the budget for 2023 nor in the medium-term financial plan for the period from 2024 to 2026. Therefore, the ACA upheld its recommendation to make planned investments in accordance with the group’s financial strength.

In order to cover Klagenfurt’s water demand in the long-run, the city of Klagenfurt and the public utility company bought plots of land in the Western Karawanks from the mid-1980ies to 2022, for the purpose of exploiting the drinking water resources believed to be there. More than 35 years after the first land purchases, however, the public utility company still had no basic evidence or information about possible economic exploitation of the sources in the Karawanks.





In consultations on draft legislation, the ACA assesses in particular the financial implications of the new legislation for public finances and the degree of implementation of the recommendations stated in its reports.



4. CONSULTATION ON DRAFT LEGISLATION

In the framework of the consultation process, the ACA regularly provides expert comments on draft laws and ordinances. 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 submitted by his or her ministry. In the framework of this process, the financial implications for the federal statement of assets, the cash-flow statement and the operating statement for the current fiscal year 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 information with regard to the assessment of the financial implications.

In consultations on draft legislation, the ACA assesses in particular the financial implications of the new legislation for public finances and the degree of implementation of the ACA's recommendations from earlier reports. In addition, the ACA deals with the content of the respective draft laws and ordinances by assessing whether planned measures appear to be adequate and efficient with regard to governance or whether they can lead to improvements in the flow of processes.



4.1 FEDERATION

The consultation period for the submission of comments should be at least six weeks. In 35 cases, the ACA was partly given significantly less time in 2023. This concerned draft legislation pertaining to the scope of competence of almost all ministries. The Federal Ministry of Finance in particular allowed for only very brief consultation periods for projects with significant financial implications. For 2023, the drafts of the Austrian Tax Amendment Act 2023 (Abgabenänderungsgesetz 2023) (consultation period of three weeks), the Austrian Minimum Taxation Act (Mindestbesteuerungsgesetz) (consultation period of three weeks for a project entailing an estimated annual increase in revenue of around EUR 100 million) and the Charities Amendment Act (Gemeinnützigkeitsreformgesetz) (consultation period of ten working days for a project entailing an estimated decrease in revenue of over EUR 300 million until 2027) should be noted as examples.

The ACA notes that a sufficiently long consultation period should be a minimum standard for legislative procedures. This would also increase the number of bodies, players and stakeholders who can provide an expert opinion, which, in turn, contributes to an informed decision-making process.

In 2023, the ACA received altogether 143 federal draft laws and ordinances for comments from the federal administration (cut-off date 1 December 2023). The Parliament, one professional representation of interests, the Gesundheitsplanungs GmbH (limited liability company for healthcare planning) and the Austrian Patent Office forwarded a total of seven draft laws and ordinances with the request for consultation to the ACA.

Based on the drafts the federal administration 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	4	1
Federal Ministry for Agriculture, Forestry, Regions and Water Management	13	0
Federal Ministry for Arts, Culture, the Civil Service and Sport	2	0
Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology	13	7
Federal Ministry of Labour and Economy	15	2
Federal Ministry of Defence	3	0
Federal Ministry of Education, Science and Research	22	3
Federal Ministry of Finance	16	5
Federal Ministry of Justice	10	2
Federal Ministry of Social Affairs, Health, Care and Consumer Protection	18	5
Federal Ministry of the Interior	0	2
Overall	116	27

4.2 PROVINCES

In 2023, the ACA also commented on draft legislation of the provinces. The following provinces submitted drafts: Carinthia, Lower Austria, Styria, Upper Austria, Vienna 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 as well as the Rules of Procedure of the Styrian Provincial Parliament provide for the ascertainment and presentation of the financial implications of new legislation.

In 2023, the ACA received a total of 77 draft laws and ordinances by the above-mentioned provinces for consultation (cut-off date 1 December 2023). The following assessment of the information provided on their financial implications can be made:

Province	Plausible information	Insufficient information
Carinthia	27	2
Lower Austria	2	2
Styria	7	1
Upper Austria	15	3
Vienna	2	0
Vorarlberg	16	0
Overall	69	8

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 amendment to the ORF Act (ORF-Gesetz) and other acts, enactment of the ORF Contribution Act 2024 (ORF Beitrags-Gesetz 2024) as well as revocation of the Broadcasting Fees Act (Rundfunkgebührengesetz), the Telephone Rates Act (Fernmeldegebührengesetz) and the Act on Contributions for the Promotion of Arts 1981 (Kunstförderungsbeitragsgesetz 1981) (promulgated in Federal Law Gazette I 112/2023)

At the end of April 2023, the Federal Chancellery and the Federal Ministry of Finance submitted the draft amendment to the ORF Act for comments, taking particular account of the decision of the Constitutional Court as regards reorganizing the financing of the ORF (Austrian national public broadcaster) dated 30 June 2022, G 226/2021-12.

Effective as of 1 January 2024, the fees previously levied by the Gebühren Info Service GmbH pursuant to the Broadcasting Fees Act are to be henceforth replaced by a fee levied pursuant to the ORF Contribution Act 2024, which is tied to the principal residence (“obligatory contribution in the private sphere”) and/or a tax liability pursuant to the Municipal Tax Act 1993 (Kommunalsteuergesetz 1993) (“obligatory contribution in the business sphere”). According to the explanatory notes, the proposed amendment is not intended to economically benefit the ORF; the ORF is thus not to have more financial resources at its disposal than is currently the case.

With regard to this draft, the ACA noted that the proposed amendments aimed at changing the financing system of the “public mandate”; however, the extensive statutory amendments were not used to clarify the fundamental question as to the essential contents and formats of a public “programme mandate”. It referred to the average net costs of the – unaltered – public mandate as defined in section 31 of the ORF Act for the period from 2024 to 2026, which are quantified at EUR 710 million per year in the explanatory notes.

With regard to the proposed regime for the compensation payments to the ORF – for the loss of input tax due to the restructuring of the ORF contribution –, the ACA critically pointed to the complexity of the procedure as well as to the high number of authorities and organizations involved in the processing of the compensation payments. It therefore suggested revising this regime with a view to maximizing administrative efficiency.

As to the cost implications amounting to around EUR 140 million according to the draft, it was noted that the explanatory notes did not adequately describe, among other things, the enforcement costs in the area of financial administration and also the implications of the discontinuation of on-site inspections carried out by field staff of the ORF-Beitrags Service GmbH.

Draft of a Federal Crisis Security Act (Bundes-Krisensicherheitsgesetz) and draft amendment to the Federal Constitutional Law (Bundes-Verfassungsgesetz) (promulgated in Federal Law Gazette I 89/2023)

The draft aimed at juridifying the national crisis and disaster protection management, which had previously been based on a decision of the Council of Ministers and is attached to the Federal Ministry of the Interior. The ACA therefore considered the draft's general intention to improve legal certainty and prepare for new crisis and threat scenarios to be positive. Referring to its reports on "Pandemic Management of the Health Authorities in the First Year of the COVID-19 Pandemic" (volume Federation 2022/18) and "Coordination of Cybersecurity" (volume Federation 2022/13), the ACA pointed to

- fragmented legal competences in the area of crisis prevention and management between the federal and provincial level,
- questions relating to the differentiation from existing instruments for crisis prevention and management stipulated by law,
- the lack of differentiation between the tasks of the new and the existing advisory bodies and the lack of defined coordination arrangements between these bodies and
- the overall need to avoid the creation of parallel structures and the duplication of efforts.

Audits on the ongoing crisis management of the COVID-19 pandemic, for example, revealed that it had often remained unclear who was responsible for what, who was to take which decisions in practice and who was to implement them.

The ACA thus noted that only after the practical implementation of the draft would it become clear to what extent the competences of the responsible federal ministers would be preserved and to what extent the bodies and functions to be established pursuant to the Federal Crisis Security Act would be able to serve (in particular) nationwide coordination, harmonization and mutual support.

In its expert comment, the ACA also pointed to differentiation and interpretation issues which could arise, among other things, from inconsistent definitions of the term "crisis" in statutory provisions, from unclear responsibilities for determining the existence of a crisis and from the establishment of different advisory and coordinating bodies/committees at the federal ministries. On the basis of a comparison with the Network and Information Systems Security Act (Netz- und Informationssystem-sicherheitsgesetz) and in order to avoid duplication of efforts and the creation of parallel structures, the ACA suggested clarifying which rules are to be applied in which manner upon entry into force of the Federal Crisis Security Act, for example in the concrete case of a cyber crisis.

As regards the presentation of the project's financial implications, the ACA criticized in summary that, even though the possible expenses of the Federal Chancellery and the Federal Ministry of the Interior were quantified, estimations and presentations of the expectable expenses of other ministries were not included.

Draft of a Corruption Criminal Law Amendment Act 2023 (Korruptionsstrafrechtsänderungsgesetz 2023) (promulgated in Federal Law Gazette I 100/2023)

The draft submitted in January 2023 aimed at establishing criminal liability as defined in the anti-corruption criminal law for persons who, as – not just hypothetical – “candidates” for a public office, accept, demand or are promised advantages for (future) official acts in breach of their duty (“ex ante corruption” by moving criminal liability forward in time, “prospective offender”).

The ACA criticized that the explanatory notes exclusively referred to candidates for a public office as supreme federal or provincial executive body or as body for monitoring the legality of law enforcement. In doing so, they did not sufficiently clarify that the act also intends to cover applications for public offices such as executive board member, supervisory board member, chief executive officer or authorized officer at the “public enterprises” listed in section 74 para. 1 no. 4a of the Criminal Code.

Although the ACA had suggested in its expert comment that a corresponding clarification be included in the legal text and that more detailed information be added to the explanatory notes – for example by referring to the grounds stated in the motion for the Corruption Criminal Law Amendment Act 2012 (1950/A, 24th legislative period), according to which “at any rate, the term ‘public official’ should cover all board/staff members of companies whose financial management is subject to the ACA’s audits” –, this clarification was not added to the legal text.

Recalling its report on “General Secretariats at the Federal Ministries” (volume Federation 2021/12), the ACA criticized that for certain public officials – such as secretaries general or supervisory board members at companies that are subject to the ACA’s audits (section 74 para. 1 no. 4a letter d and no. 4d of the Criminal Code) – no application and selection processes are stipulated by law; the draft, however, only provides for the application of corruption criminal Law to persons taking part in an election campaign, in an application or selection process for a public office. This point of criticism made by the ACA also remained unheeded in the final decision on the Corruption Criminal Law Amendment Act.

In the ACA’s opinion, the draft’s objective to close gaps in corruption criminal law by including persons who are applying for a public office in the provisions on bribery was therefore not reached with the necessary clarity.

**Draft of a Tax Amendment Act 2023
(Abgabenänderungsgesetz 2023)
(promulgated in Federal
Law Gazette I 110/2023)**

The draft of the Tax Amendment Act 2023, which was submitted in April 2023, provided once again for new tax benefits. Therefore, the ACA once again pointed to its long-standing recommendations to critically go through and evaluate the existing tax benefits and to work towards significantly reducing the provisions on benefits in income tax law based on the findings obtained.

Similarly, the Federal Ministry of Finance should work towards a transparent, simple and comprehensible income tax law in order to simplify compliance with legal provisions for citizens and the procedures for the administration. However, it positively noted the measures intended to contribute to the simplification of public administration in the area of tax law, which were also proposed in the draft.

As regards the draft provision on the attribution of dividends as well as the offsetting and refunding of capital gains tax on shares administered by central securities depositories, the ACA pointed to its reports on “Capital Gains Tax Refunds After Dividend Distributions” and the corresponding Follow-up Audit (volume Federation 2018/35 and volume Federation 2022/4).

The draft provisions on the attribution of dividends as well as the offsetting and refunding of capital gains took into account the ACA’s recommendations made in the cited reports and were suitable to prevent fraudulent actions in connection with capital gains tax refunds after dividend distribution.

The draft also contained amendments to the Tobacco Monopoly Act (Tabakmonopolgesetz) regarding the granting of licences, the intended increase in the share of people with disabilities managing tobacco stores (currently 55 per cent), the transfer of licences by people with disabilities to family members working for them as well as regarding the protection of young persons. The ACA positively acknowledged that the recommendations it had made in its report on the “Monopolverwaltung GmbH” (volume Federation 2017/15) were taken into account.

With regard to the presentation of the net financing expenditure quantified at around EUR 18 million, the ACA essentially pointed to the missing presentation of the financial implications of some flat-rate arrangements and tax exemptions as well as to the implications in the area of insurance tax.

**Government bill for an amendment to the
Federal Constitutional Law and draft of a
Freedom of Information Act (government bill
2238, Enclosures to the Stenographic
Minutes of the National Council, 27th
legislative period)**

The ACA issued its first comprehensive expert comment on the draft of the “Freedom of Information Package” in March 2021 and reported on it in its Annual Report 2021. In October 2023, the draft of a Freedom of Information Act (Informationsfreiheitsgesetz; IFG) as well as the government bill for an amendment to the Federal Constitutional Law were submitted to the National Council.

Against the backdrop of the initial draft law submitted for comments, the ACA appreciated the draft’s intention to render government action more transparent. The establishment of

transparency makes a decisive contribution to the prevention of corruption and to public participation in government action.

Since the amendment to the Federal Constitutional Law promulgated in Federal Law Gazette I 141/2022, the publication of studies, expert opinions and surveys commissioned by federal, provincial and municipal bodies, including their costs, has already been provided for. Article 22a para. 1 of the Federal Constitutional Law as amended by the government bill for the IFG introduces an active information policy for information of general interest, unless it is to be kept secret or is exempt for the reasons stated in section 6 para. 1 IFG. General information means all records that are made for official and entrepreneurial purposes within the scope of competence of the legal entities and are relevant for a general group of persons, including schedules of responsibilities, official statistics as well as surveys, statements or contracts. The obligation to publish applies not only to the National Council, the Federal Council, the administrative bodies, the bodies entrusted with conducting federal and provincial administrative business but also to bodies of the ordinary courts of law, the administrative courts, the Supreme Administrative Court and the Constitutional Court as well as the Ombudsman Board and the ACA.

For the first time, Article 22a para. 2 of the Federal Constitutional Law grants citizens a fundamental right to access information upon request vis-à-vis administrative bodies and the bodies entrusted with federal and provincial administration. Information that has to be kept secret for certain reasons, such as order and security or national defence as well as owing to the preparation of a decision or the safeguarding of overriding legitimate interests of a third party, is exempt.

Due to already existing constitutional provisions, the ACA itself publishes its own reports and also the Income Report, the Federal Financial Statements as well as donation reports and statements of accounts of political parties. Therefore, it already largely fulfils the requirements of the draft.

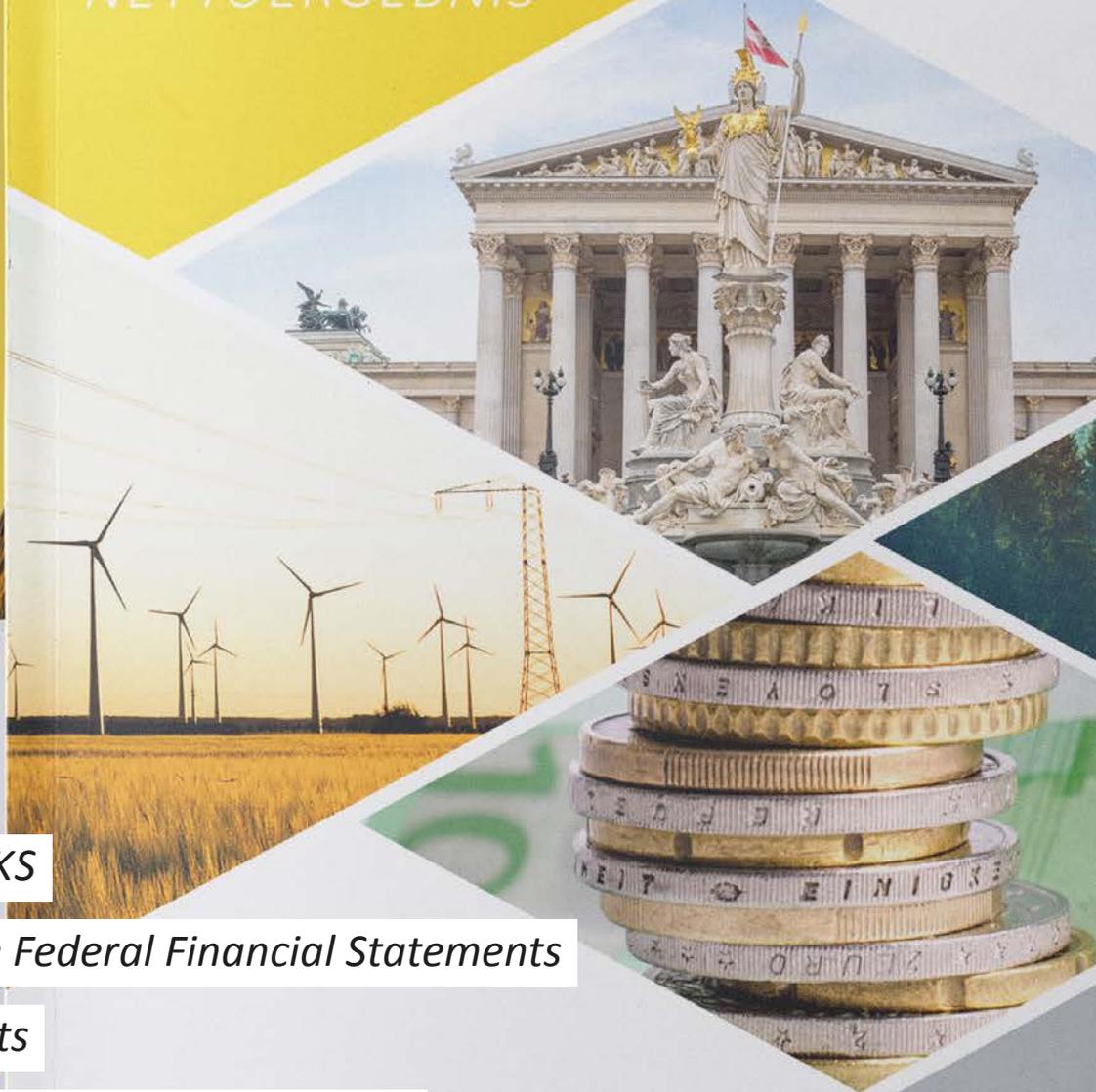
However, the ACA critically noted that the government bill – unlike the preceding draft submitted in February 2021, 95/ME, Enclosures to the Stenographic Minutes of the National Council, 27th legislative period – does not provide for an extension of the ACA's audit remit in the area of public companies. In order to use public funds as economically and effectively as possible and to ensure parliamentary control as well as transparency, the ACA maintains its long-standing call for a reduction in the minimum public share required for auditing from currently 50 per cent to 25 per cent. In this context, it refers to the fact that its audit competences continue to be limited compared to the competences of the majority of the provincial audit institutions.

Ultimately, Article 22a para. 3 of the Federal Constitutional Law and section 1 no. 5 in conjunction with section 13 IFG as amended by the government bill provide for a right to access information only vis-à-vis non-sovereign foundations, funds, institutions and companies with a public share of over 50 per cent – all already subject to the ACA's audits. The ACA expresses concern that legal entities that are de facto controlled by the public sector through financial or other economic or organizational measures as defined in Article 126b para. 2 of the Federal Constitutional Law would not be subject to the IFG.

Irrespective of this, the ACA is positive about the parliamentary agreement on abolishing the official secret, which appears to be on the horizon at the time of the editorial deadline, as this will strengthen the principle of transparency in the Austrian administration.



-12,744 Mrd. EUR
NETTOERGEBNIS



SPECIAL TASKS

- *Report on the Federal Financial Statements*
- *Income reports*
- *Countersignature of financial debts*
- *Political Parties Act*
- *Act on the Election of the Federal President*
- *Media Transparency Act*
- *Adjustment factor for politicians' emoluments*

270,8
FINANZSCH



5. SPECIAL TASKS

5.1 REPORT ON THE FEDERAL FINANCIAL STATEMENTS

ECONOMIC CONDITIONS

In June 2023, the ACA submitted the Report on the Federal Financial Statements 2022 to the National Council. 2022 was marked by a high degree of uncertainty with regard to forecasting the economic development, with the COVID-19 pandemic's continued impact on economic development on the one hand and the war in Ukraine as well as the sharp increase in inflation that considerably influenced the overall economic situation on the other hand. Accordingly, the starting point for targeted budgeting was a challenging one. The domestic economy saw real growth of 5.0 per cent in 2022. The recovery was also clearly reflected in the labour market: the number of employed persons grew by 3.0 per cent, while the unemployment rate decreased by 1.7 percentage points to 6.3 per cent. However, inflation rose to +8.6 per cent, the highest level since 1974.

The medium-term economic outlooks continue to be influenced by the war in Ukraine, by the threat of a decline in economic prosperity due to historically high inflation rates and by stagnating growth.

CONSOLIDATED FINANCIAL STATEMENTS AND COMPARATIVE STATEMENT OF BUDGET ESTIMATES

Even though the net result of 2022 – i.e. the difference between expenditure and revenue – totalled -EUR 12.744 billion and thus represented an improvement of EUR 6.901 billion over 2021, it was still far below pre-crisis levels. High inflation and favourable economic development led to a marked increase in revenue. However, expenditure also saw a renewed rise. Alongside the measures for fighting the COVID-19 pandemic, federal relief measures to compensate for inflation were the main cause of the increase in expenditure.

The negative net funding balance 2022 of the statement of financial position accounted for -EUR 20.762 billion and represented an improvement of EUR 2.333 billion compared to the budgeted amount. The significant increase in incoming payments – EUR 8.540 billion above the budgeted amount – resulted from favourable economic development and exceptionally high inflation. Outgoing payments, on the other hand, were also EUR 6.207 billion higher than planned. These discrepancies primarily resulted from the continued need for aid measures to overcome the COVID-19 pandemic and the setting up of a strategic gas reserve to secure energy supply.

As at 31 December 2022, the Federation's assets accounted for EUR 121.854 billion, which was more than in 2021 (+EUR 4.193 billion). The increase is mainly due to the setting up of a strategic gas reserve. The assets were contrasted by borrowed funds amounting to EUR 327.455 billion, which were EUR 16.333 billion higher than in 2021 and primarily resulted from an increase in financial debt.

Net assets – i.e. the balance figure resulting from the difference between borrowed funds and assets – amounted to -EUR 205.601 billion in 2022 and were thus negative. This represents a further decline in the amount of EUR 12.140 billion compared to 2021 due to the continued significantly negative net result.

FINANCIAL IMPACTS OF THE INFLATION RELIEF MEASURES ON THE FEDERAL BUDGET

In 2022, the measures for mitigating the effects of inflation strongly influenced the federal budget. A total of EUR 7.532 billion of the 2022 budget was earmarked for these measures in terms of revenue and expenditure. The actual additional payments for relief measures amounted to EUR 4.534 billion. The increase of the climate bonus together with the anti-inflation bonus (EUR 2.734 billion) took up the largest share of financial support (60.5 per cent), followed by the exceptional one-off payments for pensioners (EUR 452.1 million) as well as one-off payments for vulnerable groups (EUR 359.0 million). Within the scope of the energy cost credit, payments amounting to EUR 351.0 million were made.

FINANCIAL IMPACTS OF THE COVID-19 PANDEMIC ON THE FEDERAL BUDGET

From 2020 to 2022, the Federation made payments amounting to EUR 42.693 billion for measures to overcome the COVID-19 pandemic. Of this amount, EUR 32.837 billion were accounted for by the COVID-19 Crisis Management Fund and EUR 9.856 billion by the COVID-19 short-term work allowance.

In 2022, payment levels were actually lower compared to the previous year but higher than in 2020, the first year of the pandemic. The COVID-19 Crisis Management Fund disbursed EUR 9.277 billion in 2022, which was EUR 5.813 billion less than in the previous year. Expenditure in the health care sector, in particular for vaccines and payments in accordance with the Epidemics Act 1950 (Epidemiegesetz 1950), accounted for EUR 4.174 billion and thus remained at a consistently high level. In 2022, companies received grants amounting to EUR 664.69 million within the scope of the COVID-19 short-time work scheme, which was EUR 3.038 billion less than in 2021. Moreover, taxes accounting for around EUR 700 million were still in deferral.

AUDITING THE FINANCIAL STATEMENTS

In order to assess the regulatory compliance as well as the accounting correctness of the accounting records and supporting documents, the ACA audited the financial statements 2022 pursuant to section 9 of the Court of Audit Act 1948 (Rechnungshofgesetz 1948). In addition to random document checks, this audit also included analytical and systematic audit activities, such as the recording and valuation of receivables, the recording of fiduciary assets, the review of the federal liquidity management, the correct capitalization of non-current assets, the review of open line items as well as bank account balances and allocations to provisions.

Within the scope of a preliminary audit pursuant to section 9 of the Court of Audit Act 1948, the ACA put a special emphasis on federal guarantees. In its audit, it especially focussed on the offsetting of business transactions in connection with federal guarantees – such as provisions, claims payments and guarantee fees – as

well as on the functionality of the IT application SAP Treasury Guarantees. In particular, the ACA ascertained that the plausibility of the provision for the foreign currency risk pertaining to a portfolio held in Swiss Francs could not be validated. The Federal Ministry of Finance did not provide any documents that reflected the underlying assumptions behind the recognition of the provision, such as a wind-down strategy for the foreign currency portfolio. At the time of the audit, the Federation’s foreign exchange rate risk accounted for EUR 5.852 billion in the event of a withdrawal from the foreign currency.



5.2 INCOME REPORTS

INCOME IN PUBLIC COMPANIES AND INSTITUTIONS

On 15 December 2023, the ACA submitted the report “Average Income and Additional Pension Contributions in Public Companies and Federal Institutions 2021 and 2022” to the National Council. By publishing this Income Report, the ACA fulfils its reporting obligation under the constitution. The report on incomes at federal public-sector companies and institutions contains the average incomes of executive board

members, supervisory board members and of all employees of federal companies and institutions that are subject to its audits.

The most important results are summarized in the table below:

	2019	2020	2021	2022
Number of companies and institutions	427	426	459	452
General income of executive board members/executive directors per full-time equivalent in EUR	215,900	220,600	214,600	218,900
Average income of staff members per full-time equivalent in EUR	57,000	57,300	58,100	60,200
Share of women in executive boards/female executive directors in %	21.1	22.1	23.4	24.1
Average income of female executive board members in % of the average income of their male colleagues	82.8	77.3	80.4	85.0
Share of women in supervisory boards in %	31.7	34.2	35.6	36.2
Average remuneration of female supervisory board members in % of the average remuneration of their male colleagues	86.5	89.6	95.7	97.8
Additional contributions to pensions in EUR million	546.72	550.59	539.59	547.70

Source: ACA Income Survey

The ACA underlines that the table contains only data related to the income in federal companies and institutions. As regards the incomes in provincial and municipal companies and institutions, such comprehensive transparency is lacking.

GENERAL INCOME REPORT

Every other year the ACA publishes the report on the average incomes of the Austrian population. The most recent “General Income Report” was published in December 2022. It showed that the median gross annual income of all employed persons amounted to EUR 31,407 in 2021.

For the first time, the ACA provided interactive graphs on this topic, allowing users to decide how they want the graphs to be displayed according to their individual interests.



The General Income Report 2022 was on the public accounts committee’s agenda on 12 October 2023 and was discussed in a plenary session on 24 November 2023.



All employed persons

Median gross annual income



Graph without apprentices
Source: Statistics Austria, 2022; earnings tax and social insurance data;
graph: ACA

5.3 COUNTERSIGNATURE OF FINANCIAL DEBTS

All federal debt instruments, in so far as they create a liability for the Federation, shall be countersigned by the president of the ACA. In doing so, the president confirms that the debts were entered into lawfully and recorded orderly in the main ledger of federal debts without passing judgement on their economy or effectiveness.

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 282.025 billion as at 30 November 2023. In 2023, the Federation incurred financial debts in the amount of some EUR 65.731 billion as at 30 November.

Compared to 2019 – i.e. the year before the outbreak of the COVID-19 pandemic and the financial aid provided in this context –, the federal financial debt has not only tripled in terms of the volume borrowed, but the number of countersignatures on debt instruments has also tripled.

	2019	2020	2021	2022	2023
Federal financial debt documents (number)	62	196	164	168	181
of which countersigned (number)	53	195	147	153	163
Financial debts incurred (in EUR billion)	23.16	52.10	51.69	65.70	65.73

as at 30 November each



5.4 POLITICAL PARTIES ACT

With the amendment to the Austrian Political Parties Act 2012 (Parteiengesetz 2012), which the National Council adopted in mid-2022, the ACA's administrative tasks were extended and for the first time it has the opportunity to directly audit political parties as of 1 January 2023.

REASONABLE SUSPICION

In the case of a reasonable suspicion of a violation of the Political Parties Act, the ACA may now request the political party in question to submit a statement within a reasonable period of time, independently of auditing the party's statement of accounts. In doing so, it may demand in writing that all information that appears necessary be produced and account books, invoice documents as well as other supporting documents be submitted.

If the requested statement does not clear up the reasonable suspicion or if no statement was submitted by the party, the ACA shall notify the party thereof in writing. Thereafter, the ACA may carry out an audit of the political party within the scope required for this purpose in the form of an on-site inspection at the party's premises. In 2023, there was no case of reasonable suspicion.

ELECTION CAMPAIGN REPORT

Political parties that are, due to elections, entitled to funding pursuant to the Austrian Support of Political Parties Act 2012 (Parteien-Förderungsgesetz 2012) shall send the ACA election campaign reports on the election of the National Council or the European Parliament within six months after the election day. For the purposes of an accompanying

analysis of the expenditure on election campaigns and to audit the election campaign expenses as well as the election campaign reports, the ACA shall appoint three experts from the area of transparency and campaign research, from the media sector as well as from the accounting community one week before the cut-off date. The experts shall analyse the election campaigns of the parties participating in the election and each of them shall assess the plausibility of compliance with the restrictions on election campaign expenses in an expert opinion. With regard to the election date for the European elections in June 2024, the regular election date for the National Council election in September 2024 as well as to guarantee maximum transparency, the ACA – in collaboration with the Federal Procurement Agency (Bundesbeschaffung GmbH) – appointed the experts by way of an open – and thus EU-wide – award procedure pursuant to the Federal Procurement Act 2018 (Bundesvergabegesetz) for the first time.

PERSONAL COMMITTEE REGISTER

The ACA shall keep a register of the registered personal committees and publish the designation of the committee, its proponents and the supporting party or political candidate on the ACA's website. The ACA shall also provide this information to the party, the political candidate and the members of the personal committee in question. Objections, if any, against the attribution of the personal committee to the political party shall be noted in the published register. Towards the end of 2023, the ACA was notified of a personal committee that had been in existence since 2021.

DONATION REPORTS

For the purpose of informing the public about the financing of political parties, every party shall send the ACA a report on individual donations exceeding EUR 150 at the latest four weeks after the end of each calendar quarter. The ACA shall publish all individual donations exceeding EUR 500 mentioned in the report without delay, stating the name and postal code of the donor, the date of receipt of the donation and the exact amount as well as categorizing them by specific donation recipient.

In 2023, the ACA published a total of 93 donations made to nine parties (as at 1 December 2023).

IMPERMISSIBLE DONATIONS

The ACA is obligated to take over donations that are impermissible according to the Political Parties Act. Such donations must be forwarded to the ACA by the respective political party. The ACA, in turn, has to keep such donations safe and pass them on to charitable or scientific institutions. In its decision dated 17 January 2023 (2022-0.597.119/UPTS/NEOS), the Independent Political Parties Transparency Panel (Unabhängiger Parteien-Transparenz-Senat; UPTS) found that an advertisement financed by a parliamentary group in the European Parliament in 2020 was to be qualified as a donation in kind to the NEOS. In 2021, this parliamentary group placed two further comparable advertisements; due to the donation limit per year and donor (EUR 7,719.08 in 2021), the NEOS passed on EUR 14,320.42, i.e. the amount exceeding this limit, to the ACA in 2023. In addition, a donation in kind made to the NEOS for the 2021 provincial parliament election campaign in Upper Austria exceeded the donation limit per year and donor by EUR 85.02; the NEOS also transferred this

amount to the ACA in 2023. In the third quarter of 2023, the Social Democratic Party of Austria (SPÖ) received a donation in kind from a company that had its registered office in Austria but had a foreign beneficial owner. As, pursuant to section 6 para. 6 no. 6 of the Political Parties Act, donations are limited to up to EUR 500 in these cases, the party transferred EUR 937.78, i.e. the amount exceeding this limit, to the ACA.

The SPÖ also transferred an amount of EUR 15,108.58 to the ACA in 2023 because the donation limit of EUR 8,610 per year and donor was exceeded; however, the party questioned whether the donation had been categorized correctly and was truly impermissible.

EXAMINATION OF THE STATEMENTS OF ACCOUNTS

As regards the ACA's special task of examining and publishing the political parties' statements of accounts, it still had to apply the Political Parties Act as promulgated in Federal Law Gazette I 247/2021, i.e. the version before the amendment of mid-2022, to the examination of the statements of accounts 2021 and 2022.

In doing so, the ACA checks the accuracy of the information provided; where there is doubt about the information provided in a statement of accounts, the ACA requests the party to submit a comment. If, despite the party's comment, doubts about the accuracy of the statement of accounts persist, the ACA notifies the Independent Political Parties Transparency Panel of these concerns. The panel then decides whether the Political Parties Act has in fact been violated.

THE ACA PUBLISHED SEVEN STATEMENTS OF ACCOUNTS IN 2023

Due to evidence of violations of the Political Parties Act, the ACA submitted three notifications on a total of twelve issues to the Independent Political Parties Transparency Panel. For instance, the ACA was of the opinion that the Social Democratic Party of Austria (SPÖ) had possibly received a partly impermissible donation in connection with the magazine “4U: Das Magazin der SPÖ Graz” from the municipal council group of the SPÖ in Graz (statement of accounts 2021) and that an interest-free loan granted by the parliamentary group of the Greens to its party should be subject to a notification (statement of accounts 2021).

As regards the statement of accounts of the Austrian People’s Party (ÖVP) – dating back to 2020 –, the examination focussed among other things on premises that the Perchtoldsdorfer Immobilien GmbH provided to the party at a purely symbolic rent.

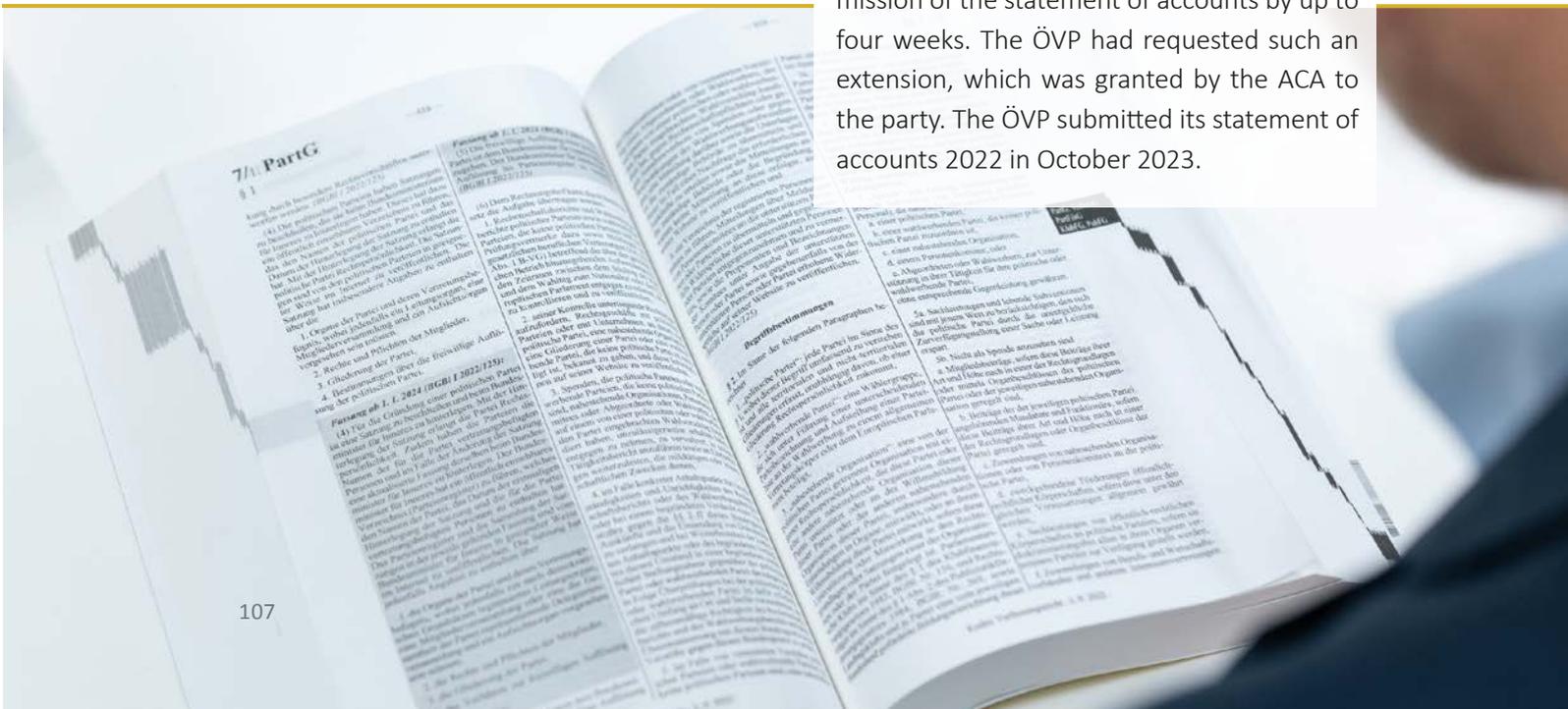
The examination of the statements of accounts 2021 of the ÖVP and the Freedom Party of Austria (FPÖ) was still ongoing at the end of 2023.

Each political party has to submit its statement of accounts, including the lists of donations, sponsorship agreements, advertisements and affiliated companies, to the ACA by 30 September of the following year. The following six parties presented their statement of accounts 2022 by the cut-off date of 30 September 2023:

1. Bürgerforum Tirol – Liste Fritz (Citizens’ Forum Tyrol – List Fritz)
2. Die Bierpartei (The Beer Party)
3. The Greens – The Green Alternative
4. NEOS – Das Neue Österreich und Liberales Forum (NEOS – The New Austria and Liberal Forum)
5. The Freedom Party of Austria
6. The Social Democratic Party of Austria

Furthermore, the party “Die Bierpartei” (“The Beer Party”) submitted its statement of accounts 2021 on 3 January 2023; the submission deadline for the statements of accounts 2021 was on 30 September 2022.

Upon a justified request of the political party, the ACA can extend the deadline for the submission of the statement of accounts by up to four weeks. The ÖVP had requested such an extension, which was granted by the ACA to the party. The ÖVP submitted its statement of accounts 2022 in October 2023.



SURVEY ON TRANSACTIONS WITH AFFILIATED COMPANIES

Another task according to the Political Parties Act, 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 per cent directly or 10 per cent indirectly. The ACA surveys all legal entities (around 5,800) that are subject to its audits whether such transactions with affiliated companies had been carried out and, if yes, to which amount. This information is, similarly to the political parties' statements of account, published on the ACA's website.

DECISIONS OF THE INDEPENDENT POLITICAL PARTIES TRANSPARENCY PANEL

If the ACA is of the opinion that the Political Parties Act has been violated, it has to notify the Independent Political Parties Transparency Panel. This panel is then in charge of deciding whether violations have in fact occurred. In 2023, the Independent Political Parties Transparency Panel imposed fines on all parties represented in the National Council due to the ACA's notifications. The imposed fines totalled EUR 98,384. They were imposed as follows: Freedom Party of Austria (FPÖ) EUR 50,000, Austrian People's Party (ÖVP) EUR 20,000, SPÖ EUR 10,000, The Greens EUR 9,876 and NEOS EUR 8,508.

In May 2023, the Independent Political Parties Transparency Panel discontinued the proceedings examining whether or not the ÖVP had exceeded the maximum amount of election campaign expenses for the National Council election in 2019. In the course of the proceedings, for which the ACA had also commissioned an accountant, it was revealed that although the election cam-

paign expenses in the amount of EUR 6,854,672.70 were 22 per cent higher than initially reported, they still remained within the permissible limit of EUR seven million, according to the Independent Political Parties Transparency Panel.

Irrespective of the above, the ACA has noted that the Independent Political Parties Transparency Panel increasingly raised formal issues with regard to its most recent decisions. This leads the ACA to understand that the Independent Political Parties Transparency Panel consequently expects the ACA to conduct its own original surveys and investigations from now on. To the extent possible, this is already the case. However, the Political Parties Act does not currently authorize the ACA to carry out additional investigations as part of its audits of the statements of accounts. It will be authorized to do so in the future – after the new competence takes effect in autumn 2024.

Starting with the statements of accounts 2023, the ACA will also have the right to publish its reports to the Independent Political Parties Transparency Panel (and/or the results of its audits). This will allow the public to gain a complete picture of the cases brought to the attention of the Independent Political Parties Transparency Panel by the ACA.

The ACA points to the fact that – unlike political parties – it cannot lodge appeals against the decisions made by the Independent Political Parties Transparency Panel. Such a legal remedy would be desirable in order for the ACA to also have access to the appeal stages leading to the supreme court.

VIENNA POLITICAL PARTIES ACT

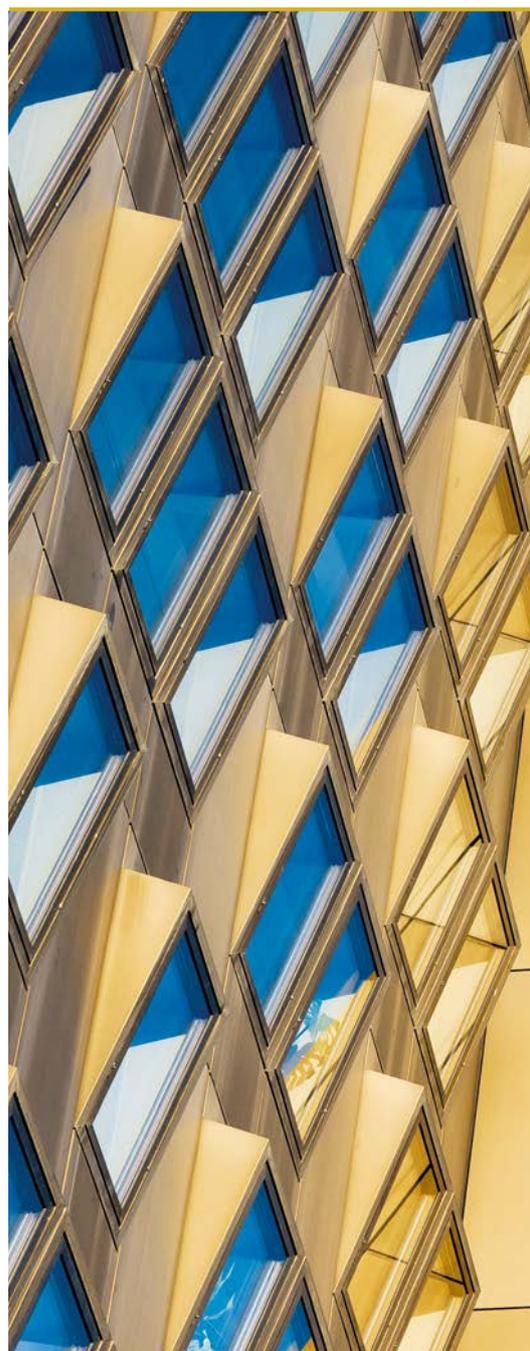
In September 2023, the ACA issued a comprehensive expert comment on a legislative package related to political parties on the Vienna provincial level. The draft had envisaged, among other things, provisions for the audit competences of the City of Vienna Court of Audit with regard to auditing the use of funds by political parties as well as their academies.

The ACA considered the legislative proposal – which was partly geared to the amendment to the Political Parties Act 2012 made in Federal Law Gazette I 125/2022 and also had to be considered in connection with the federal draft law submitted by the ACA in October 2021 – to be a suitable means for increasing the transparency of the use of funds.

In the ACA's opinion, the additional audit competences that have now been granted to the City of Vienna Court of Audit as well as the proposed rules for strengthening the institutional and organizational independence of the City of Vienna Court of Audit are suitable for contributing to the strengthening of external public auditing.

However, the ACA's expert comment also highlighted that the statutory provisions still grant the parties substantial leeway for interpretation as regards the keeping of "suitable records" of the funds received – from political party funding (for example around EUR 30.05 million in 2022) and from political academy funding (for example around EUR 2.07 million in 2022). The effectiveness of auditing the use of funds will therefore depend on more precise requirements with regard to the intended use and on evidence of the use of funds.

The ACA considers the establishment of the Vienna Independent Political Parties Audit Panel to be positive. A panel of the Vienna Administrative Court will decide of appeals against decisions made by the Vienna Independent Parties Audit Panel in the future. In this connection, the ACA suggested giving the City of Vienna Court of Audit the opportunity to lodge an appeal against decisions made by the Vienna Independent Parties Audit Panel with the office of the provincial government of Vienna.



5.5 ACT ON THE ELECTION OF THE FEDERAL PRESIDENT

Under the Act on the Election of the Federal President (Bundespräsidentenwahlgesetz), candidates running for election must disclose to the ACA lists on donations, payments received from political parties, sponsoring and advertising, which the ACA reviews as to their accounting correctness and conformity with the Act on the Election of the Federal President.

The lists shall be submitted to the ACA no later than three months after the election day. Since the last federal presidential election was held on 9 October 2022, the ACA should have received the relevant lists from the seven candidates of the 2022 federal presidential election by early January 2023.

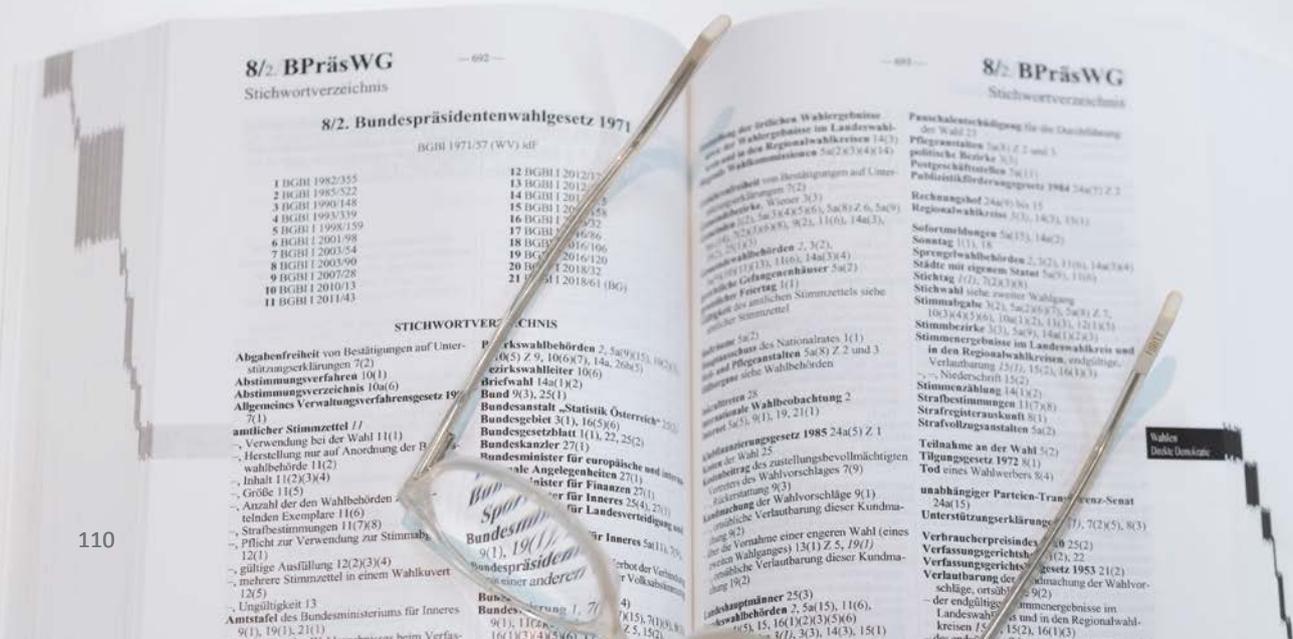
By 9 January 2023, the ACA had received the lists of the following candidates of the 2022 federal presidential election:

1. Dr. Alexander van der Bellen
2. Dr. Tassilo Wallentin
3. Dr. Walter Rosenkranz
4. Gerald Grosz
5. Dr. Michael Brunner

Furthermore, Dr. Dominik Wlazny submitted the list of the 2022 federal presidential election of 23 June 2023; the candidate Heinrich Staudinger did not submit a list.

If the ACA finds concrete indications as to the incorrectness or incompleteness of the information provided, it shall give the candidate in question the opportunity to comment within an adequate period of time. The ACA shall publish such comments – including the results of its findings, as appropriate. In case of suspected violations, the ACA must transmit the documents to the Independent Political Parties Transparency Panel.

The ACA published the lists of five candidates of the 2022 federal presidential election in 2023; the review of the list of candidate Gerald Grosz was still ongoing at the end of 2023.



5.6 MEDIA TRANSPARENCY ACT

The aim of 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 in question. As at 1 December 2023, this concerned around 5,800 legal entities. This special task is a non-audit activity that limits the ACA in performing its actual core tasks.

5.7 ADJUSTMENT FACTOR FOR POLITICIANS' EMOLUMENTS

The Act on the Limitation of Emoluments (Bezügebegrenzungsgesetz) 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, Health, Care and Consumer Protection.

This factor corresponds either to the inflation rate between July of the previous year and 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.

Based on the communications published by Statistics Austria and the Federal Ministry of Social Affairs, Health, Care and Consumer Protection, the ACA calculated a factor of 1.097 for 2024, which was published, together with the salary scales for public officials, on 1 December 2023 on the electronic Federal Announcement and Information Platform (elektronische Verlautbarungs- und Informationsplattform; EVI). Based thereon, their emoluments could increase by 9.7% as of 1 January 2024.

This statutory increase was altered by an amendment to the Federal Emoluments Act (Bundesbezügegesetz) made by the National Council on 13 December 2023 to halt the increase in emoluments of certain federal officials (Federal President, members of government, presidents of the National Council, president of the ACA, members of the Ombudsman Board as well as heads of the parliamentary groups of the National Council) while allowing other emoluments of members of parliament to increase by 4.85 per cent. The upper limit of permissible maximum emoluments at provincial level was increased by 9.7 per cent as pre-

scribed by law. Although the Federal Government recommended taking a comparable approach at provincial level, the provinces are free to determine the emoluments of their officials within these upper limits

This statutory amendment will result in three different baseline amounts for the emoluments of public officials in the future, which will continue to counteract the initial goal, set more than 25 years ago, of creating an income pyramid for politicians active at federal, provincial and municipal level as well as in self-governing bodies based on the responsibilities of the particular official. Since the ACA will continue to be obliged to adjust the emoluments annually, it would like to highlight at this point that the informative value of the emoluments pyramid, which is also supposed to be published annually, will become increasingly limited and that it does not provide a national comparative overview of the emoluments of public officials. The relevance of the existing arrangements is increasingly being called into question.





*The ACA attaches great importance
to international cooperation – especially
in its capacity as the General Secretariat
of the International Organization
of Supreme Audit Institutions (INTOSAI).*



6. INTERNATIONAL COOPERATION

6.1 REGULAR EXCHANGE AT THE INTERNATIONAL LEVEL

Cooperation with other audit institutions represents one of the ACA's outcome targets. The ACA therefore attaches great importance to professional exchange with other Supreme Audit Institution (SAIs). International cooperation primarily takes place within the framework of INTOSAI, whose General Secretariat is held by the ACA, and EUROSAI (European Organization of Supreme Audit Institution) as well as the "EU Contact Committee" at the EU level. Within these organizations, specialist working groups dedicate themselves to fundamental and/or current topics, such as environmental audits, the implications of science and technology for auditing, IT audits, the handling of big data or financial market and economic stability.

Alongside cooperation with international working groups, bilateral and multilateral meetings and events offer opportunities for collaboration. For instance, at bilateral level, the ACA, or more specifically, the INTOSAI General Secretariat welcomed guests from the SAIs of Germany, Slovenia, Hungary, Brazil, Kenya, Zambia, South Korea, the Republic of Moldova, the Maldives and the United Arab Emirates in 2023. They were interested in different specialist topics, such as the audit process, the relationship with the provincial audit institutions or the auditing of political parties.

Margit Kraker,
Bruno Dantas (SAI Brazil)



Another important platform for exchange is the German conference of the presidents of the federal and provincial audit institutions, which is also regularly attended by President Margit Kraker as well as the Director of the Swiss Federal Audit Office and the German Member of the European Court of Auditors. In addition, ACA representatives participate in several working groups of German provincial audit institutions and the German Supreme Audit Institution (Bundesrechnungshof), which deal with issues such as infrastructure and organization, IT or audits in the construction or (higher) education sector.

On 4 September 2023, President Margit Kraker in her capacity as Secretary General and the INTOSAI Chair signed a memorandum of understanding (MoU) with the United Nations Development Programme (UNDP) in New York. The cooperation centres on current and relevant topics such as climate protection and the promotion of gender equality.

Together with EUROSAI representatives, the ACA president also took part in an INTOSAI/ EUROSAI seminar in Prague in September 2023 in order to mark the 30th anniversary of the Czech Supreme Audit Institution.

Events such as an expert exchange on data analytics organized by the ACA in June 2023 demonstrate the practical relevance of international cooperation. Within the scope of this workshop, representatives of the SAIs of Denmark, Sweden, Norway, the Netherlands and the United Kingdom met at the ACA in order to present their ongoing work and share valuable insights. The workshop provided a platform for the open exchange of lessons learned in order to gain new insights and strengthen collaboration. It aimed at achieving increased efficiency and improvements at the Supreme Audit Institutions in order to better address the challenges of data analytics. It is planned to further strengthen cooperation in the coming years through mutual support for the use of new audit methods.



Haoliang Xu (UNDP),
Bruno Dantas (SAI Brazil),
Margit Kraker

6.2 INTERNATIONAL AUDIT MANDATES

The ACA is currently contributing its international expertise to two projects: on the one hand, it is auditing the 2023 financial statements of the Organization for Security and Co-operation in Europe (OSCE). On the other hand, it is conducting a peer review at the SAI Indonesia in collaboration with the SAIs of Germany and Switzerland.

AUDIT OF THE 2023 OSCE FINANCIAL STATEMENTS

In September 2023, the OSCE approached the ACA and asked it to audit the OSCE's 2023 financial statements. The OSCE Secretary General, Helga Maria Schmid, thanked the ACA for its willingness to take on the mandate of external auditor for the OSCE at such short notice. The appointment as external auditor covers the period from 7 September 2023 to 15 September 2024. The OSCE's financial statements are prepared in accordance with the "International Public Sector Accounting Standards" (IPSAS). The ACA's audit is performed in accordance with the "International Standards of Supreme Audit Institutions" (ISSAI).

The OSCE is a state conference for peace keeping. On 1 January 1995, it emerged as the successor organization of the Conference on Security and Co-operation in Europe, which had been established on 1 August 1975 with the Helsinki Final Act. With participating states located primarily in Europe as well as North America and Asia, the OSCE is the world's biggest regional security organization. The OSCE has around 2,300 employees (as at April 2023) and generates annual revenues amounting to around EUR 300 million (as at 2022). The OSCE's General Secretariat and its most important committees are located in Vienna.

PEER-REVIEW AT THE SUPREME AUDIT INSTITUTION INDONESIA

According to constitutional law, the SAI Indonesia is obliged to undergo a peer review every five years. It is made up of around 9,900 positions at 34 locations. The review focusses on assessing whether the internal quality control system was appropriately designed and functions effectively. This assessment is carried out in the areas of "ethics", "human resources" and "IT". It aims at deducing recommendations for improving and implementing the system.



ACA – INTERNAL ORGANIZATIONAL STRUCTURE

- *The ACA in figures*
- *Organization*
- *Personnel*
- *Training and knowledge management*
- *IT security at the ACA*

7. ACA – INTERNAL ORGANIZATIONAL STRUCTURE

7.1 THE ACA IN FIGURES

as at 1 December 2023

51.5%

share of women
at the ACA

47%

share
of women
in management positions

303

staff members

105

female public officials

109

male public officials

53

female
contractual staff members

36

male
contractual staff members

47.6%

share of women working
in an audit function

283

full-time equivalents

42.199

BUDGET 2023
(IN EUR MILLION)

1.216

reserves 2023
(in EUR million)

84⁰%

share of
budgeted personnel
expenses in overall
expenses in 2023

7.2 ORGANIZATION

The amendments made to the Political Parties Act (Parteiengesetz) and the National Council Rules of Procedure Act 1975 (Geschäftsordnungsgesetz 1975) in the summer of 2022 extended the ACA's competences. Furthermore, the ACA's audit scope has significantly increased in recent times, among other things, as a result of the COVID-19 pandemic and subsequent aid measures as well as the energy policy measures. The ACA therefore made changes to its allocation of duties as of 1 January 2023 in order to ensure effective audit activities. Existing organizational units underwent a thematic and organizational restructuring in order to take into better account the current requirements and changes in the environment.

In consideration of the additional competences assigned to the ACA in the area of the Political Parties Act, a separate audit unit for political parties and compliance was established, which reports directly to the ACA President. This unit houses the department for parties and elections as well as the audit department for compliance and anti-corruption.

A unit that is separate from the management and administration division and also directly reports to the president deals with the ACA's governance, planning and impact in order to more effectively monitor the use of resources and the outcome of its activities. This unit comprises, among other things, the personnel and budget department as well as the department for strategic audit planning.

Furthermore, an expert unit for communication and public relations was set up to inform citizens about the ACA and assist with media relations.

7.3 PERSONNEL

The promotion of women is an important issue at the ACA. The share of women is 51.5 per cent and well above the average of 43 per cent in the civil service, as is the share of women in management positions, which amounts to 47 per cent (compared to a share of 37.1 per cent in the civil service).

Out of the 303 persons employed at the ACA as at the cut-off date of 1 December 2023, 83.8 per cent work in an audit function. At 88.2 per cent, the share of university graduates among the auditors is very high due to their demanding responsibilities. 37 per cent of the ACA's staff members working in an audit function have an economics degree, 33.5 per cent have a law degree and 8.3 per cent have a technical degree. Furthermore, graduates with university degrees in various other areas, such as spatial planning, political sciences and translation, are also among the staff members.



With a total of more than 250 experts working in audit functions, the ACA not only has interdisciplinary expertise but also the ideal organizational size that allows for and promotes personal exchange. Auditors are naturally curious, open as well as unbiased and work towards a better Austria. People working for the ACA get unique insights and learning opportunities. The auditors conduct interviews with the audited entities, analyse existing documents and data. On this basis, they draw conclusions and develop forward-looking guidelines for an effective and economic use of taxpayer money. They fulfil these exciting and always diverse tasks in teams, yet there is enough room for working independently.

The ACA must not merely be regarded as an expert organization of public auditing but also as an attractive employer with an excellent reputation that offers its staff members, among other things, very good opportunities for professional development, a pleasant working atmosphere as well as a good work-life balance. The (re)evaluation of workplace-related mental stress carried out in 2023 shows significant improvements in the collaborative working climate among colleagues at all levels and with regard to the working environment compared to 2017. In particular, the possibility of working from home proved to have a generally positive effect.

*Working where incentives have
an impact.*

*With curiosity. With high standards. With
determination.*



7.4 TRAINING AND KNOWLEDGE MANAGEMENT

The ACA attaches great importance to professional qualification. In order to be employed in the ACA's audit service, professional training and several years of relevant work experience are required.

The Public Auditing certificate programme is the joint basic training for external public auditing. Since 2017, the ACA has been offering this programme in collaboration with the Executive Academy of the Vienna University of Economics and Business as well as the provincial audit institutions and the City of Vienna Court of Audit. The sixth Public Auditing certificate programme is being attended by six ACA auditors, the seventh Public Auditing certificate programme is being attended by 14 ACA auditors. The other participants work mainly at the provincial audit institutions, the City of Vienna Court of Audit or as internal auditors at federal ministries.

As a knowledge organization, the ACA attaches great importance to continuous education. In 2023, the ACA's staff members made use of more than 130 different educational measures, which covered methodology and specialist seminars on audit-relevant topics, IT training as well as management seminars. Auditors regularly attend expert meetings and seminars, for instance in the areas of finance and taxation, procurement law, environment law, energy management or education. Within the framework of the "Data Camp", 21 auditors specialize in "R", a software for statistical calculations and graphs used in audits.

Graduation ceremony for graduates of the fifth Public Auditing certificate programme on 16 March 2023



Exchanging experiences with other public audit institutions and internal auditors is an important concern for the ACA. The annual “**Knowledge Summit**” is a well-established event organized by the ACA and the Institute of Internal Auditors Austria (IIA). It addressed the topic of “auditing in times of uncertainty” in 2023. Around 360 persons (ACA, provincial audit institutions, city courts of audit, internal auditors of federal ministries, public companies and universities as well as other institutions) accepted the invitation and participated in the event via live stream.

The **expert meeting of building and construction auditors** of Austrian audit institutions is organized by the ACA’s community of practice on the construction industry on an annual

basis. In 2023, the event addressed the topics of climate protection and energy efficiency of public buildings as well as ecological award criteria. Alongside the provincial audit institutions, the city courts of audit and the municipal audit bodies, the Supreme Audit Institution of Germany and the Bavarian audit institution were also represented.

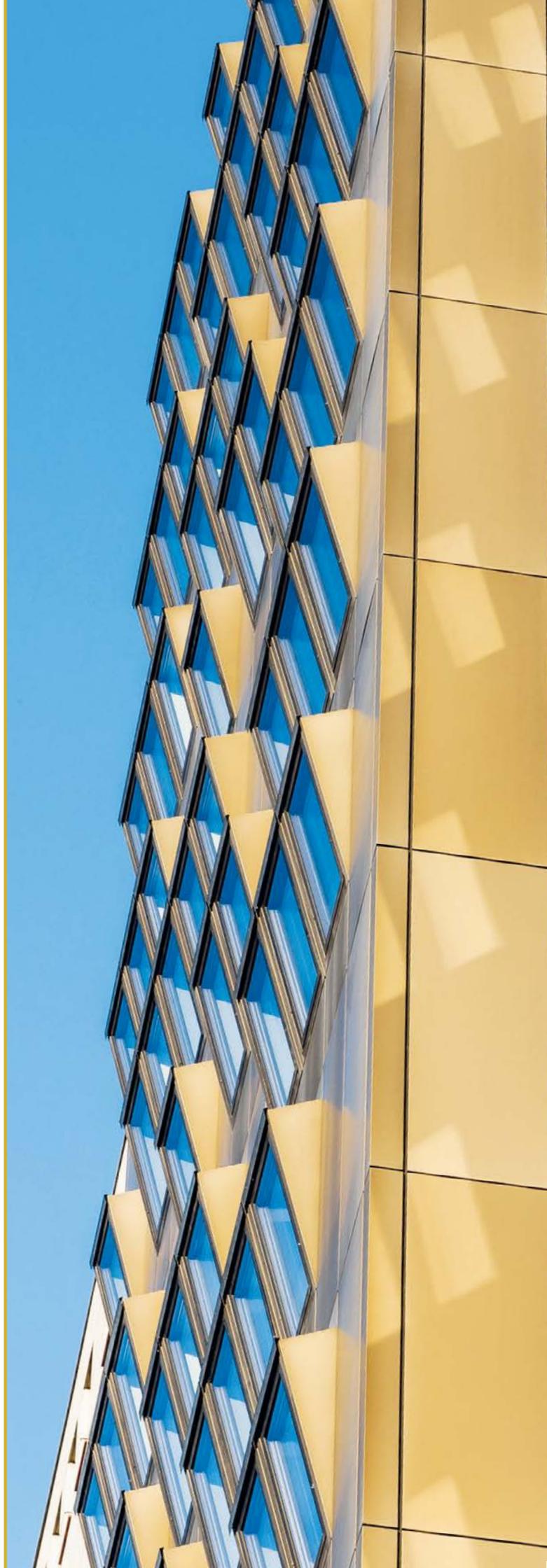
Furthermore, the ACA’s staff members are involved in active knowledge transfer and also take on the role of presenters within the scope of in-house education and training measures (basic training, certificate programme Public Auditing, the ACA’s digital applications) as well as at external events (leadership course Speyer).

from left to right: Thomas Schwalb (IIA Austria – Institute of Internal Auditors Austria), Barbara Koppensteiner (Institute of Science and Technology Austria, Klosterneuburg), Katharina Parapatics (ACA), Christian Paál (ACA), Silvia Zendron (ACA), Markus Falk (ACA), Hannes Schuh (Federal Ministry of Finance), Harald Szeidl (ACA), Martin Langer (FH Campus Wien (university of applied sciences)), Stefan Mattes (Wiener Wohnen Hausbetreuung GmbH (administration and operating company of Vienna’s municipal housing estates))



7.5 IT SECURITY AT THE ACA

In 2023, the ACA carried out major projects in order to continue to ensure the integrity, confidentiality and availability of data and systems in the heterogenous and rapidly evolving area of IT security. This involved replacing essential network components and storage systems in line with their planned lifecycle, purchasing modern smartphones for staff members, updating essential applications and databases etc. in order to ensure maximum security and smooth operations. In addition, necessary enhancements of the software and hardware used at the ACA were identified and corresponding preparatory work was initiated. Simultaneously, a multilayered and comprehensive project was carried out in order to analyse the key challenges for the ACA's IT security infrastructure in a structured manner and to devise effective as well as efficient measures based on this analysis as part of an overall strategy for the coming years.





Vienna, December 2023

The President:

Margit Kraker

Photos

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p. 37:	iStock/3DSculptor/romrodinka/Orbon Alija	p. 103:	Mockup: graphicgoogle.com; iStock/mediaphotos
p. 40:	ACA/Achim Bieniek	p. 103:	Source: Statistics Austria; 2022; earnings tax and social insurance data; graph: ACA
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p. 51:	Mockup: Farah Zainab Naqvi	p. 115:	ACA/Silke Steiner
p. 52:	Mockup: PIXEDEN	p. 117:	ACA/Haim-Schopper
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		p. 123:	ACA/Manuel Brenner





