

Project Group “Role of SAls in spreading Integrity Culture”

Budapest, 2 October 2018

The ROLE of the Austrian Court of Audit (ACA) in the fight against corruption

Audit Competence

- the Federation,
- the Laender (regional states),
- municipalities with more than 10,000 inhabitants (since 2011)
- municipal associations
- social insurance institutions
- legal entities, endowments, funds, institutions
- companies > 50% public contribution or predominant influence
- chambers (e.g. for commerce, labour)

How does the Austrian Court of Audit (ACA) define its Anti-Corruption approach?

Repression



Prevention



Education



Cooperation



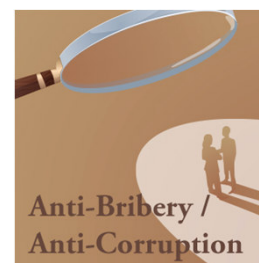
National/Internat.

Main approach
of the Austrian
Court of Audit

Common agreement: Holistic, multi-disciplinary and comprehensive approach necessary

Why is the role of the Austrian Court of Audit so important?

More than 6.500 auditees
one of the most independent organisation
No. 1 in the Public Thrust Index



How is the ACA doing its Anti-Corruption Work – A Time Travel

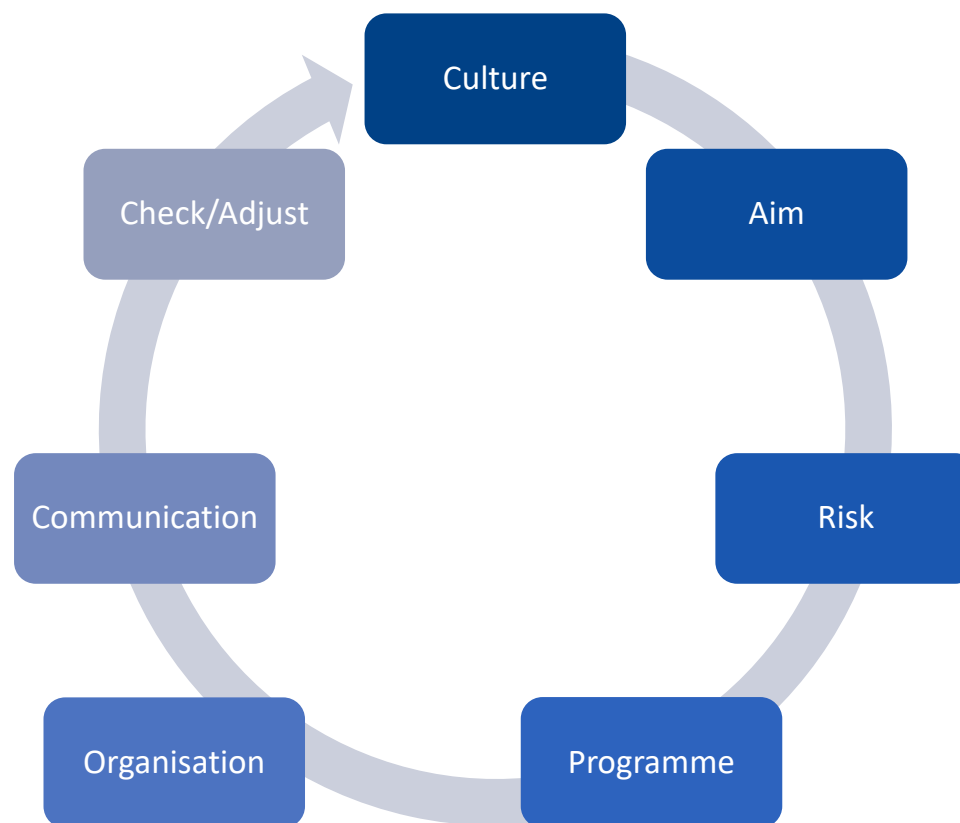


Guideline for Auditing Corruption Prevention Systemes



- Aim: Systematic integration of anti-corruption approach in the auditing process of the ACA; support of audit teams
- Challenges at the beginning: e.g. broad audit competence of ACA or auditing „tone at the top“
- Based on standards for Compliance Management Systems
- „Corruption as the abuse of entrusted power for private gain“
- Right now under revision (e.g. adding more case studies)

Based on the structure of Compliance Management Systems



Structure for all 7 elements

Target Condition	<ul style="list-style-type: none">• Description of desirable condition
Objective of Audit	<ul style="list-style-type: none">• Why do we audit this element? What do we want to know in general?
Typical Risks	<ul style="list-style-type: none">• What kind of risks are typical for this area?
Audit Methods	<ul style="list-style-type: none">• What are typical instruments, sources and methodologies ?
Audit Questions	<ul style="list-style-type: none">• What questions should be asked by an auditor?
Core Statements of ACA	<ul style="list-style-type: none">• What are the essential statements of the ACA from the past?
Audit Examples	<ul style="list-style-type: none">• Where can I find additional information or audit examples?

How is the ACA doing its Anti-Corruption Work – A Time Travel



First results – Audit of Corruption Prevention Systems at Federal Ministries



Bericht des Rechnungshofes
Korruptionspräventionssysteme in
ausgewählten Bundesministerien
(BKA, BMB, BMI, BMLFUW)

Reihe BUND 2017/8



- Pilot Audit 2015/16
- Audit of Federal Chancellery, Ministry of the Interior, Ministry of Education and Federal Ministry of Agriculture, Forestry, Environment and Water Management
- Impact afterwards: Minimum standards for Compliance Management Systems on federal level adopted, Compliance/Integrity Officers appointed,...

First results – Audit of Corruption Prevention Systems at Federal Ministries

Culture: “tone from the top”, applicability of rules,...

- Challenge to audit
- Corruption prevention is seen as part of ethical leadership (role model)...but deficiency in (management) training
- No standardised approach detected
- Only some single instruments/mechanisms implemented

Aim: strategic goals and measurable indicators

- No strategic goals set
- Not part of strategic planning

First results – Audit of Corruption Prevention Systems at Federal Ministries

Risk-Analysis: procedure, methodology, interval

- No organisation-wide risk analysis conducted
- In some organisations specific areas have been covered by riskmanagement, but no comprehensive approach
- At least necessity has been recognised

First results – Audit of Corruption Prevention Systems at Federal Ministries

Programme: “prevent – detect – react”

- Not enough training of staff and management
- Most have inauguration procedure for new employees
- Some use self-commitment statements (police)
- No supporting processes for managing secondary employment, acceptance of gifts,...
- No regulations concerning sponsoring
- No appropriate whistleblower mechanism (e.g. no information about whistleblower hotline in the intranet)

First results – Audit of Corruption Prevention Systems at Federal Ministries

Organisation: formal responsibility, factual performance

- Not enough resources allocated
- No clear responsibilities defined/determined

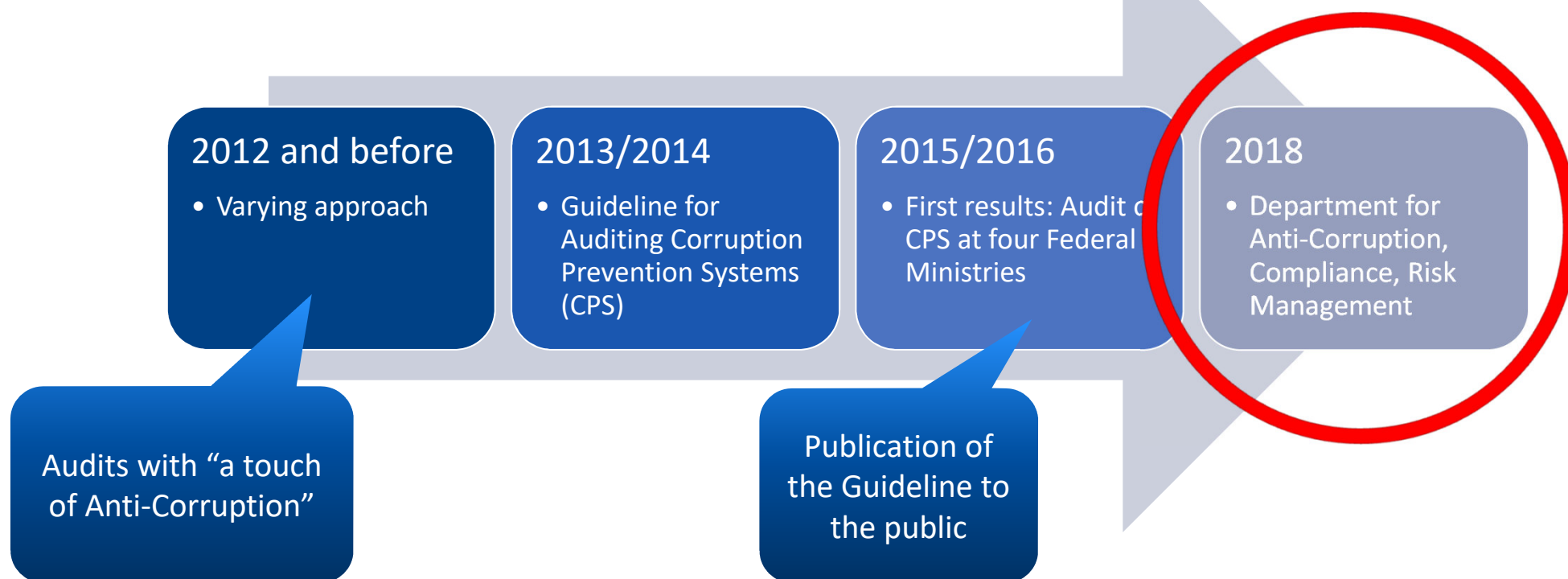
Communication:

- no communication concept
- no proactive communication
- no periodical/recurring communication (e.g. newsletter, compliance report)

Check/Adjust: procedure, interval, measures taken

- Because there is no comprehensive approach → no standardised evaluation procedure implemented

How is the ACA doing its Anti-Corruption Work – A Time Travel



Departement – Anti-Corruption, Compliance, Risk Management

Internal

- Chief Compliance Officer
- Compliance Management System
ACA
- Competence Centre, Guidelines
- Staff Training
- Data Protection Officer

External

- Audits:
 - ⑩ Anti-Corruption
 - ⑩ Compliance and Risk Management
 - ⑩ Internal Control System
- National + international Cooperation
- Assessment of draft legislation

Thank you very
much for your
attention!