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**12<sup>th</sup>** meeting of the **INTOSAI Working Group on**

**Fight against Corruption  
and Money Laundering (WGFACML)**



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

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# 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**



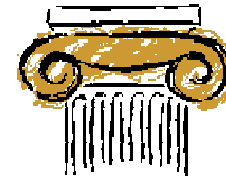
**Prevention**



**Education**



**Cooperation**



**National/Internat.**

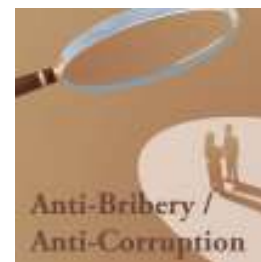
Main approach  
of the Austrian  
Court of Audit

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

2012 and before

- Varying approach

Audits with “a touch of Anti-Corruption”

2013/2014

- Guideline for Auditing Corruption Prevention Systems (CPS)

Publication of the Guideline to the public

2015/2016

- First results: Audit of CPS at four Federal Ministries

2018

- Department for Anti-Corruption, Compliance, Risk Management





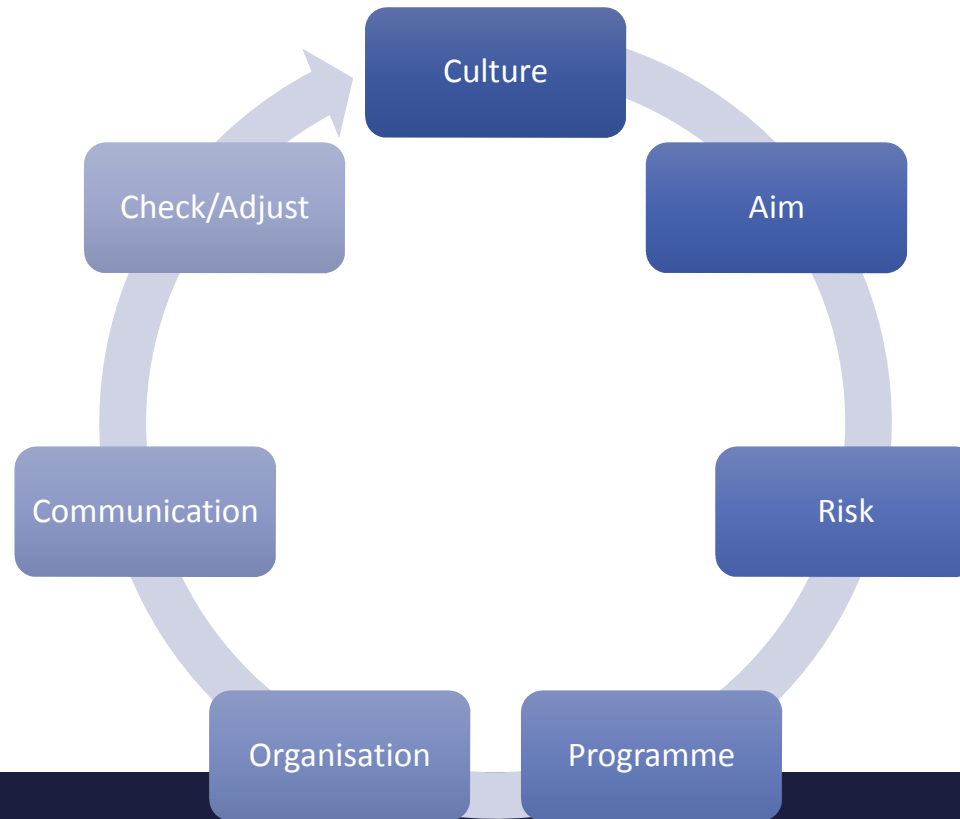
# Guideline for Auditing Corruption Prevention Systemes



- 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

- Description of desirable condition

## Objective of Audit

- Why do we audit this element? What do we want to know in general?

## Typical Risks

- What kind of risks are typical for this area?

## Audit Methods

- What are typical instruments, sources and methodologies ?

## Audit Questions

- What questions should be asked by an auditor?

## Core Statements of ACA

- What are the essential statements of the ACA from the past?

## Audit Examples

- Where can I find additional information or audit examples?



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# First results – Audit of Corruption Prevention Systems at Federal Ministries



Bericht des Rechnungshofes  
Korruptionspräventionssysteme in  
ausgewählten Bundesministerien  
(BKA, BMB, BME, BMLFUW)  
Reihe G/NO 2017/8

R  
H

- 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



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# 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

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