

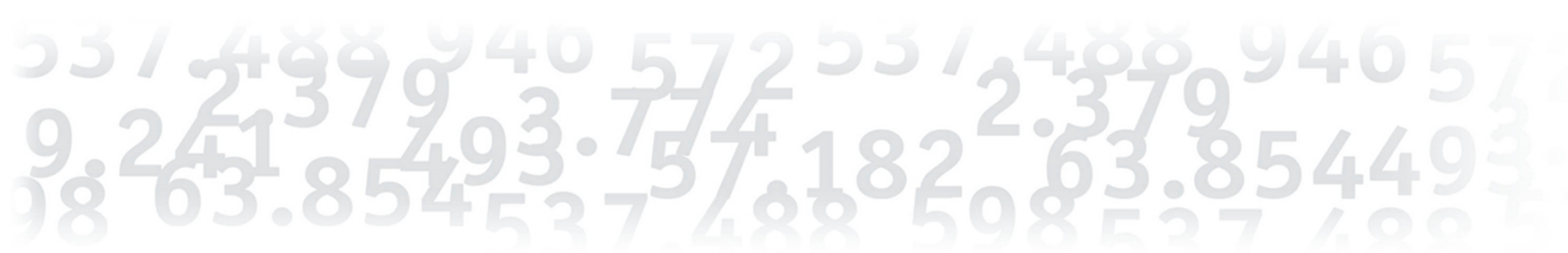
# **Audit and Advisory Activities**

**by**

# **the Austrian Court of Audit**

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Der  
Rechnungshof

Unabhängig. Objektiv. Wirksam.

# Audit and Advisory Activities – General Considerations

## Challenges due to the demographic development

- increasing costs in the care, pension, health and social sector
- investments in education, science, research and labour market

## Citizens are justifiably asking

1. How can public governance be designed more efficiently and economically
2. What contributions SAIs can make

# Audit and advisory activities by SAIs

## SAIs must

- perform audits

## and

- develop proposals with solutions for more economic and efficient public governance on the basis of our audit work

# Audit and advisory activities by SAIs

## A modern and effective approach:

- No limitation to “pure” auditing;
- Not longer sufficient: purely retrospective identification of shortcomings and deficiencies;
- Harness full potential by developing an advisory approach on the basis of their audit work.

# Audit and advisory activities by SAIs – two faces of one and the same coin

## Two faces of the coin:

### 1. Retrospective, fact-based audits

- Problem analysis and identification of areas for improvement, elaboration of recommendations

### 2. Forward-looking advisory approach

- Implementation of recommendations, increasing the impact and enhancing efficiency and economy – highlighting the value and benefits

# Audit and advisory activities by SAIs – audit

## **This audit and advisory approach requires:**

1. Future-oriented selection of audit subjects;
2. Audits that are not part of the operations of government; purely fact-based

and

3. Recommendations with a practical added value and concrete solutions.

# Audit and advisory activities by SAIs – advisory activities

## Advisory activities not limited to

- the one-time presentation/submission of recommendations;

## Advisory activities require

- targeted follow-up;

## Advisory activities create

- added value by enhancing the usefulness of individual audits and the lasting impact of government audit.



# Audit and advisory activities by SAIs – benefits

## Benefits of audit and advisory activities:

- Enhanced effectiveness of the SAI and more efficient use of taxpayers' money;
- Greater economy, efficiency and effectiveness of government operations;
- Improved social, economic and societal development

# Audit and advisory activities by SAIs – benefits

## Benefits of audit and advisory activities

- Contribution to the implementation of the Millennium Development Goals and, in future, also of the Sustainable Development Goals;
- Greater visibility of the value and benefits of the work of SAIs.

## Important is

- to not overlook the related risks
- advisory approach must exclusively be based on performed audits in order not to be involved in political discussions.

# **Audit and Advisory Activities – Advisory Approach of the Austrian Court of Audit (ACA)**

# Advisory approach of the ACA

1. Advisory activities performed already during the audit process, including recommendations;
2. All audits and the recommendations they include are submitted to the auditees and to Parliament and then published;
3. Relevance beyond the specific case at hand?

## Advisory approach of the ACA

4. In the affirmative: summarized as “core statements”;
5. “Position papers” containing proposals for government reform;
6. “Core statements” and “position papers” publicly available on the website;
7. Active public relations (press briefings, interviews, target-group specific presentations).

# Advisory approach of the ACA – Examples of position papers

## Position Paper on Government Reform

599 specific recommendations on reforming various areas of the Austrian public administration, such as:

health sector, school system, subsidies, security, justice and general reform topics such as task reviews, streamlined authorities, reform of the fiscal constitution, budgetary law, reduction of the administrative burden on businesses – based on specific audit findings

Core statement: consolidation requires a reform of the administrative system and the constitution and must include all local authorities



# Advisory approach of the ACA – Examples of position papers

## Economic and Fiscal Governance of the EU – A Contribution of External Public Audit

The adopted and envisaged instruments for fiscal and budgetary governance of the European Union (e.g. the Six Pack and Two Pack) have various implications. This raises questions on the future tasks of SAIs.

Objective of the paper: broad discussion process





# **Audit and Advisory Activities – The international level**



## 22<sup>nd</sup> UN INTOSAI Symposium on “Audit and Advisory by SAIs: Risks and Opportunities, as well as Possibilities for Engaging Citizens“:

### Core recommendations:

- audit based advisory activities are a major component of SAIs work and help to enhance the value and benefits of SAIs;
- communication is crucial for promoting awareness of the citizens and the media about findings and recommendations of SAIs;

## Core recommendations:

- audit findings and recommendations should be
  - stated clearly, concisely, solution-orientated and implementable
  - communicated to relevant decision-makers in a targeted manner
  - properly explained by SAIsand should have a
  - sustainable effect beyond the scope of individual audits.



# Audit and Advisory Activities- Conclusion

## Recent Developments have revealed:

- Increasing need for stronger and more efficient external government audit;
- Citizens long for strong, effective control bodies to be able to detect and avoid ill-directed developments early on;
- Pinpointing shortcomings and deficiencies retrospectively is no longer sufficient;

therefore

- The need for more future-oriented advisory activities.

## Conclusion

Further details on

„Audit and Advisory Activities by SAIs: Opportunities and Risks, as well as Possibilities for Engaging Citizens“:

**[www.intosai.org](http://www.intosai.org)**

**Thank you very much  
for your attention!**

**[www.rechnungshof.gv.at](http://www.rechnungshof.gv.at)**