



Landesrechnungshof  
*Niederösterreich*

# THE LOWER AUSTRIAN COURT OF AUDIT

EURORAI General Assembly

18<sup>th</sup> October 2013

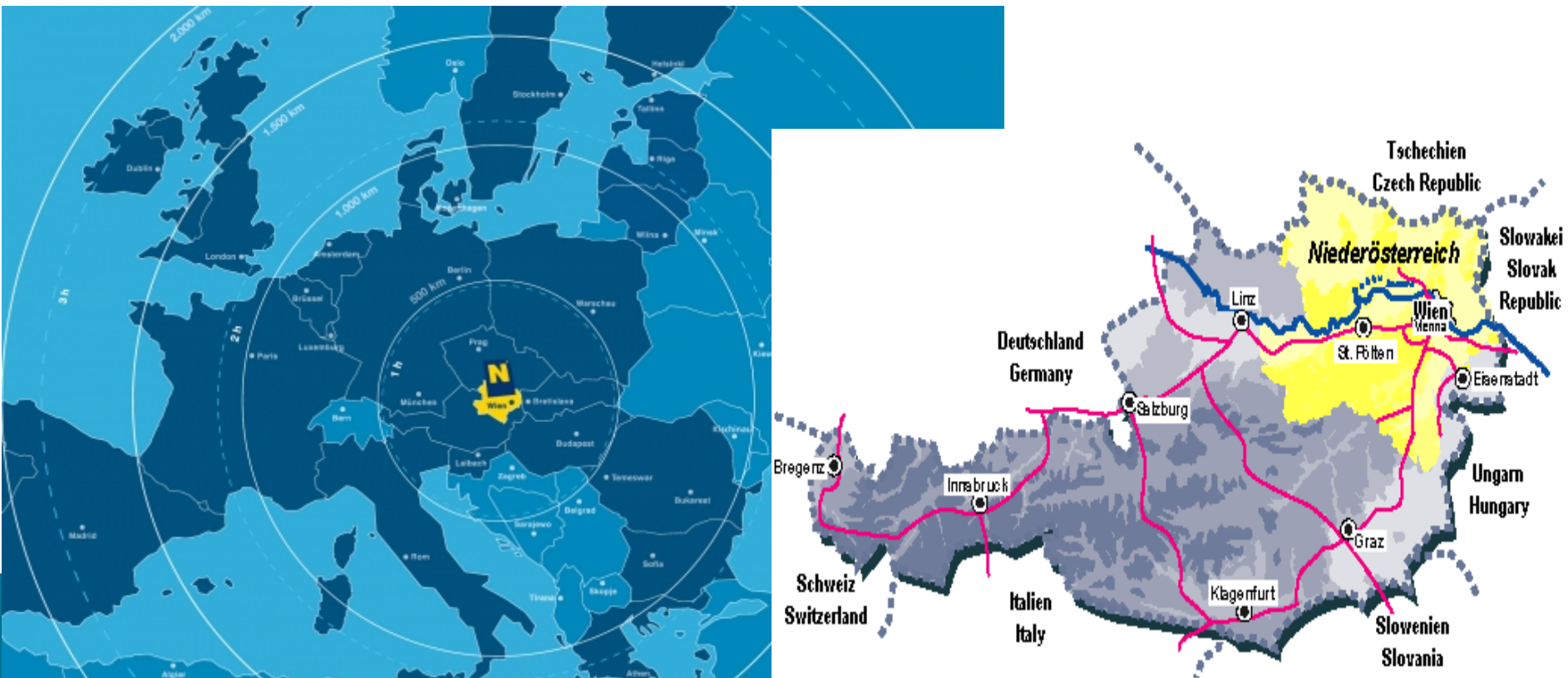




# Lower Austria in Brief

**Area:** 19.186 km<sup>2</sup> **Budget:** ~ 8 billion Euro

**Population:** 1.612.000 **Employees:** ~ 33.000





# Lower Austrian Court of Audit in Brief

- **Foundation:** 1998 **Information:** [www.lrh-noe.at](http://www.lrh-noe.at)
- **Status:** independent audit institution of the Lower Austrian Parliament; Not bound to orders from government, administration or parliament
- **Staff:** 17 (2 back office) 2014: 19 **Budget:** 2 Mio €  
**Audits:** 15 per year **Audit volume/auditor :** 520 Mio €
- **Director:** elected by the provincial parliament for 6 years; is head of the employees ; has the same legal responsibility as a member of the provincial government; initiative audits; monocratic structure

## The Constitution of Lower Austria decrees that

- the LACA has to examine whether public resources are raised and used economically, efficiently and effectively.
- the initiative to conduct audits rests with the court itself, but the NÖ Landtag is entitled to initiate special audits and has to agree to the budget
- the Lower Austrian Government may request evaluations of the financial management of communities for the purposes of their state supervision
- the LACA remains completely independent as far as staffing, planning and performing of audits, scope of all audits and reporting is concerned



# Mission Statement

- **Vision:** the first address for public auditing in Lower Austria
- **Highest objective** : most effective and sustainable use of public resources and funds in accordance with the law
- recommendations to optimise income and expenditure, to reduce costs and increase utility when using public resources
- **Use:** accountability for the use of public funds, quantitative and qualitative improvements, objektive facts and recommendations
- **Preventative effects:** against waste, financial mismanagement, anit corruption impact



# Auditing Principles and Standards

**The auditing approach of the LACA is according to the principles legality and truth, economy, efficiency and effectiveness:**

- risk- and topic-oriented
- improve the way in which public funds are used
- work for modernisation of administration
- benefit the entity which has been audited
- based on laid down quality standards developed further according to international standards (ISSAIs) and the principles of the Declarations of Lima and Mexico
- public audit reports can be seen on [www.lrh-noe.at](http://www.lrh-noe.at)



# Tasks

**The LACA examines the entire financial management and administration of Lower Austria**, including funds, endowments,

- 27 hospitals, 48 foster homes, 20 schools,
- enterprises, in which the Land has a majority participation or dominating influence
- the preliminary annual statement of account
- use of government grants and subsidised institutions

## Competences

- right of discovery
- access to relevant information
- right to inspect files (also electronic)
- direct contact to auditees

## The annual audit programme is in full recognition of independence coordinated with the ACA and covers different types of audits

- Selective audits focus on specific topics, definite parts of financial operations or projects
- Crosscutting audits are comparisons between organisations or units
- Coordinated audits with other Courts of Audit in case of mixed financial models oder shares in companies
- Sample audits to include entities which would otherwise not be audited due to the risk oriented approach
- Follow up audits to show the extent to which the recommendations were implemented



# Subsidiarity in Public Auditing



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## The LACA – by performing its own audits

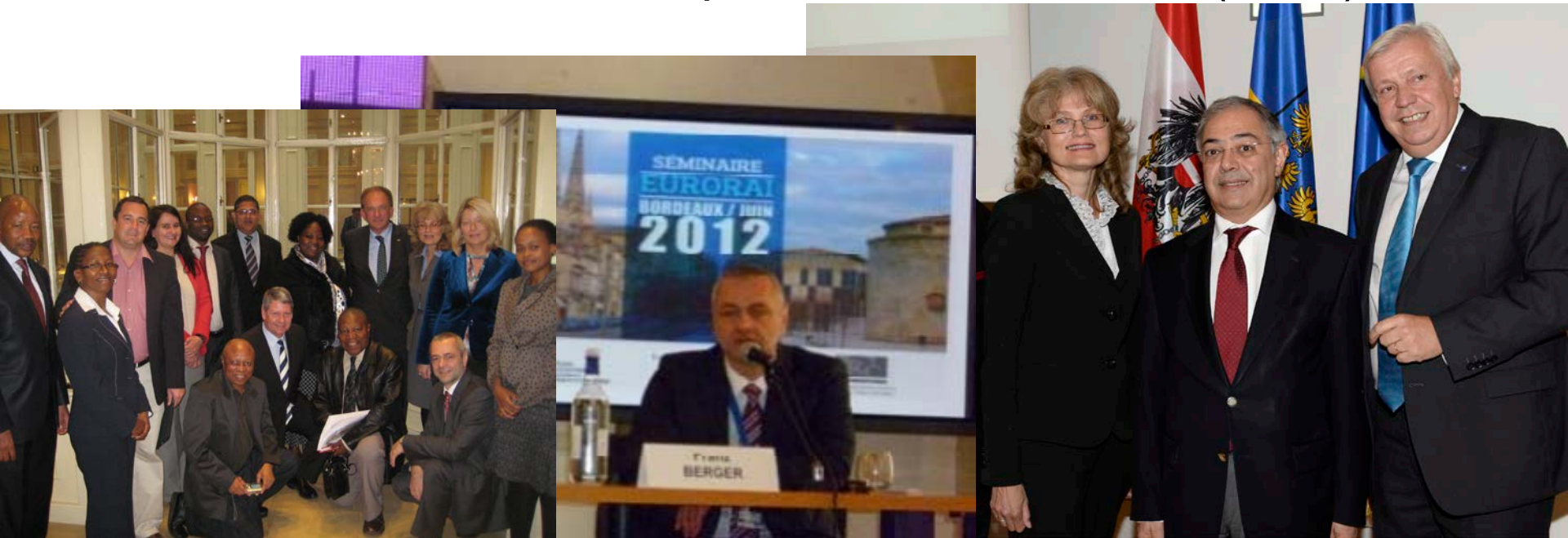
- distinguishes itself by its local proximity to the auditees, its clearer understanding of regional specials and problems
- faces the ECA and the ACA in terms of Lower Austria as an audit institution of equal regional competence
- should be the preferred regional partner on eye level to back audit missions in Lower Austria
- may avoid possible duplications of the audit efforts which could results form overlapping audit mandates and may therefore complement the sources of information and evidence to support audit conclusions
- would acclaim a strategic plan for EURORAI to raise the awareness of strong independent regional audit institutions, more conferencing and cooperation in training and development of appropriate professional standards and methodologies

# International Relations



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- Seminar with ECA October
- Meeting Supervisory Board of the County Council of the Norwegian province Vestfold (October 2013);
- Eurorai Seminar in Bordeaux (June 2012)
- Meetings with the Members of Parliamentary Standing Audit Committee of the Republic of South Africa (2012)





# Thank you for your attention!

Further Informations and the LACA reports can be seen on [www.lrh-noe.at](http://www.lrh-noe.at)

