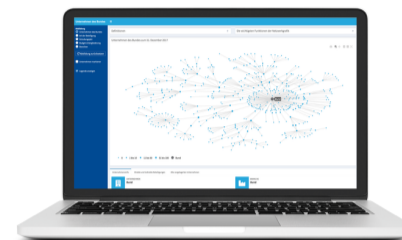




For the first time the ACA provides an overall view of federal companies

06.03.2020 - Federal Companies, Geological Survey of Austria and Salzburg AG - ACA presents three new reports

Interaktive Grafik zu den Unternehmen des Bundes auf: rechnungshof.gv.at/Bundesunternehmen



Today, the Austrian Court of Audit (ACA) presented the following reports:

- [Federal Companies \(in German\)](#)
- [Geological Survey of Austria \(in German\)](#)
- [Salzburg AG für Energie, Verkehr und Telekommunikation - Biogas \(in German\)](#)

In its report published today on "Federal Companies", the ACA presents the equity holdings of the federal government. In doing so, it

provides an overall view, which has not yet existed in this form. This is due to the fact that the federal government does not have a strategic overview of its portfolio of equity holdings. The report shows the development for the period of 2013 to 2017 and breaks the companies down by different categories, such as legal form, function or by economic criteria.

Overall, the ACA's auditors counted 543 companies in which the federal government holds a majority share. The ACA sees deficits in the management control system. Inconsistent and incomplete data rendered an analysis of the federal companies difficult. Furthermore, the ACA notes the lack of transparency, in particular as regards indirect equity holdings.

In 2017, the federal government paid EUR 17.41 billion to its companies. In turn, EUR 1.08 billion were transferred from the companies to the federal government.

Lack of transparency and higher risks as regards indirect equity holdings

The federal government had 157 direct equity holdings and 328 indirect equity holdings. Including the 58 equity holdings of Austria's 22 universities, it held a majority share in 543 companies (as at end-2017). In the period of 2013 to 2017, this was complemented by 95 equity holdings, the major part of which – namely 79 – were indirect equity holdings. The majority of all indirect equity holdings was held by only ten direct equity holdings of the federal government.

The ACA critically notes that indirect equity holdings are subject to less stringent requirements than direct equity holdings. The purchase and/or creation of indirect equity holdings can therefore come with higher risks: financial risks, but also risks related to the performance of tasks by the federal government. Furthermore, the original tasks of the parent company might also be impaired. Therefore, the basic purpose and the strategic objectives of federal companies have to be clearly defined. This would be the prerequisite to assess the quality of services provided for the citizens.

Deficient management control data

With a few exceptions, indirect equity holdings were not included in the management control system. As regards indirect equity holdings, the different ministries do not have a reporting duty to the Ministry of Finance. Therefore, no corresponding reports were held to the National Council. Overall, the ACA ascertained numerous shortcomings with regard to the monitoring of equity interests and financial control. For example, full-year figures in the ministries' management control data deviated from the figures published in the financial statements of the companies.

The ACA recommends to improve the quality of data and to include indirect equity holdings, based on value limits to be defined, in the management control system. Furthermore, an equity holding database should be set up for federal companies in order to provide for a uniform database. Foundations and funds with a significant financial volume should also be integrated in the financial control system.

In its report on federal companies, the ACA defines federal companies as companies in which the federal government holds 50 per cent of the share, nominal or equity capital or in which it has a predominant influence. The ACA also views universities, foundations and funds as federal companies if they are under the

 [Interactive graph on federal companies \(in German\)](#)

 **Report: Federal Companies (in German)**

PDF Datei: 1,514.3 KB

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 **Report: Geological Survey of Austria (in German)**

PDF Datei: 3,321.4 KB

Umfang: 94 Seiten

From November 2018 to January 2019, the ACA carried out an audit of the Geological Survey of Austria (Geologische Bundesanstalt). The audit aimed at assessing legal framework conditions, the organization, the financing and costs as well as the project management and selected projects.


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Central recommendations

(1) The Geological Survey of Austria should evaluate the main department for central services concerning the savings potential and reduce the use of resources in administration.

(2) The Federal Ministry of Education, Science and Research should analyse, in the framework of the reform projects started in end-2018, the advantages and disadvantages of alternative legal and organizational structures – under consideration of cost-benefit aspects – and assess in particular whether and to what extent other legal forms of the Geological Survey of Austria (e.g. as a limited liability company) could be more effective for a modern-day performance of its central tasks.

(3) The Geological Survey of Austria and the Federal Ministry of Education, Science and Research should adapt the number of projects to the personnel resources and to the financial funds at their disposal.

 **Report: Salzburg AG für Energie, Verkehr und Telekommunikation - Biogas (in German)**

PDF Datei: 1,357.2 KB

Umfang: 60 Seiten

In September and October 2018, the ACA carried out an audit of the Salzburg AG für Energie, Verkehr und Telekommunikation (infrastructure provider for energy, transport and telecommunications) with a focus on biogas. The audit aimed in particular at assessing the strategic considerations of the Salzburg AG to tap into biogas opportunities, the investments made in this regard and their economy under the green electricity regulations.

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Central recommendations

(1) Greater attention should be paid to the opportunities envisaged by the Federal Ministry for Sustainability and Tourism to integrate renewable gas in the national gas grid.

(2) A corresponding strategy should be prepared for the biogas portfolio, together with qualitative and quantitative targets. The decisions regarding the use of biogas and the areas envisaged for this purpose should be clear-cut. Furthermore, such decisions should be resolutely pursued vis-à-vis the different stakeholders.

(3) In the case of future minority shareholdings, appropriate arrangements would have to be made to safeguard the interests of the owners. Such arrangements should allow the Salzburg AG to monitor the development of the companies through business management instruments and to be able to timely initiate countermeasures in the case of unfavourable developments.

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by the Biogas ZEMKA GmbH, which is currently being burnt, but not used.



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