



## COVID-19 Crisis Management Fund

Performance audit (as part of the 2020 Financial audit)

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[FULL REPORT \(DE\)](#)



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### What we assessed and why

From September 2020 to March 2021, we audited the Federal Ministry of Finance's (MoF) management of the COVID-19 crisis management fund. As the fund is a key tool in the distribution of financial resources to combat the effects of the COVID-19 pandemic, we also involved other federal ministries and the Federal Accounting Agency (BHAG) in the audit. Moreover, we audited guarantees and related provisions, to the extent that they are covered by COVID-19 crisis management fund resources, to check whether they had been identified correctly in the federal financial statements.

The aim of this audit, which preceded the audit of the federal financial statements, pursuant to section 9 of the Austrian Court of Audit Act, was to examine the legal classification of the COVID-19 crisis management fund within the federal budget, the payments made from the fund, and the regularity of its financial management.

The "COVID-19 crisis management fund" report forms an integral part of the federal financial statements.

### What we found

In March 2020, the federal government introduced financial support measures to address the economic impact of the pandemic.

With a budget of €28 billion, the COVID-19 crisis management fund (an administrative fund established under the MoF) was the key tool for providing the ministries with budgetary resources for COVID-19 measures.

The ministries requested only €11.420 billion from the fund; by the end of 2020, €8.466 billion had been paid out and €2.954 billion of the requested resources remained.

The amounts needed by the ministries had not been budgeted for. The Federal Finance Act 2020 authorised the Federal Minister of Finance to approve a budget overrun amounting to €28 billion. We were critical of this in so far as it made significant budget resources available without involving the Austrian Parliament.

In 2020, the Finance Minister approved a budget overrun amounting to €5.280 billion in connection with the crisis management fund.



The budgetary implementation and presentation of the administrative funds had to be compliant with the general principles of budgetary law, such as transparency and providing as true and fair a view as possible of the federal government's financial position. At the same time, federal budgetary law lacked provisions to ensure uniform accounting across all administrative funds.

Resources from the crisis management fund had to be accounted for in specially identified accounts. However, this obligation only related to payments or expenses. There was no obligation to identify COVID-19-related payments or expenses that did not come from the crisis management fund but from the ministries' budgets. In our view, the lack of such a regular identification limited the informative value of the financial statements on the allocation of funds to combat the pandemic, and does not allow for a comprehensive assessment of the impact of the COVID-19 pandemic on the national budget in the future.

The fact that the resources under the crisis management fund had not been fully used by the end of the year led to positive net results in the breakdowns for each grouping of related budget areas assigned exclusively to the respective federal ministries. These positive results did neither reflect the economic situation nor the financial room for manoeuvre in these areas.

By 31 December 2020, more than half of the €10.375 billion total limit for COVID-19 guarantees had been used. The federal government made only a limited number of payments arising from these guarantees.

The crisis management fund was the subject of COVID-19 reporting by the MoF and, as from 2021, by the budgetary management bodies of the Austrian Parliament. However, reporting was limited for a significant proportion of COVID-19 measures (guarantees and grants provided by the Austrian federal government's COVID-19 funding agency (COFAG)).

## What we concluded

In view of the continued need for financial measures to combat the COVID-19 crisis, the budgeting of all planned payments should be transparent and provide as true and fair a view as possible of the economic situation.

Rules should be introduced to ensure uniform accounting for management funds without legal personality. In particular, these should:

- ensure uniform budgetary management and accounting within and between areas; and
- lay down provisions on unused funds, e.g. on whether they can be carried over.

Matters that have a decisive influence on the state of public finances and are of public interest, such as measures taken to address the COVID-19 crisis, should be presented comprehensively and transparently in the final accounts.

As the COVID-19 crisis goes on, additional information should be collected on borrowing companies, the risk of default in relation to the guarantees provided should be reassessed at regular intervals, and the provisions for guarantees should be adjusted accordingly at the balance sheet date.

The default risk in relation to COVID-19 guarantees should be included in reporting to the Austrian Parliament in an organised, aggregated form.