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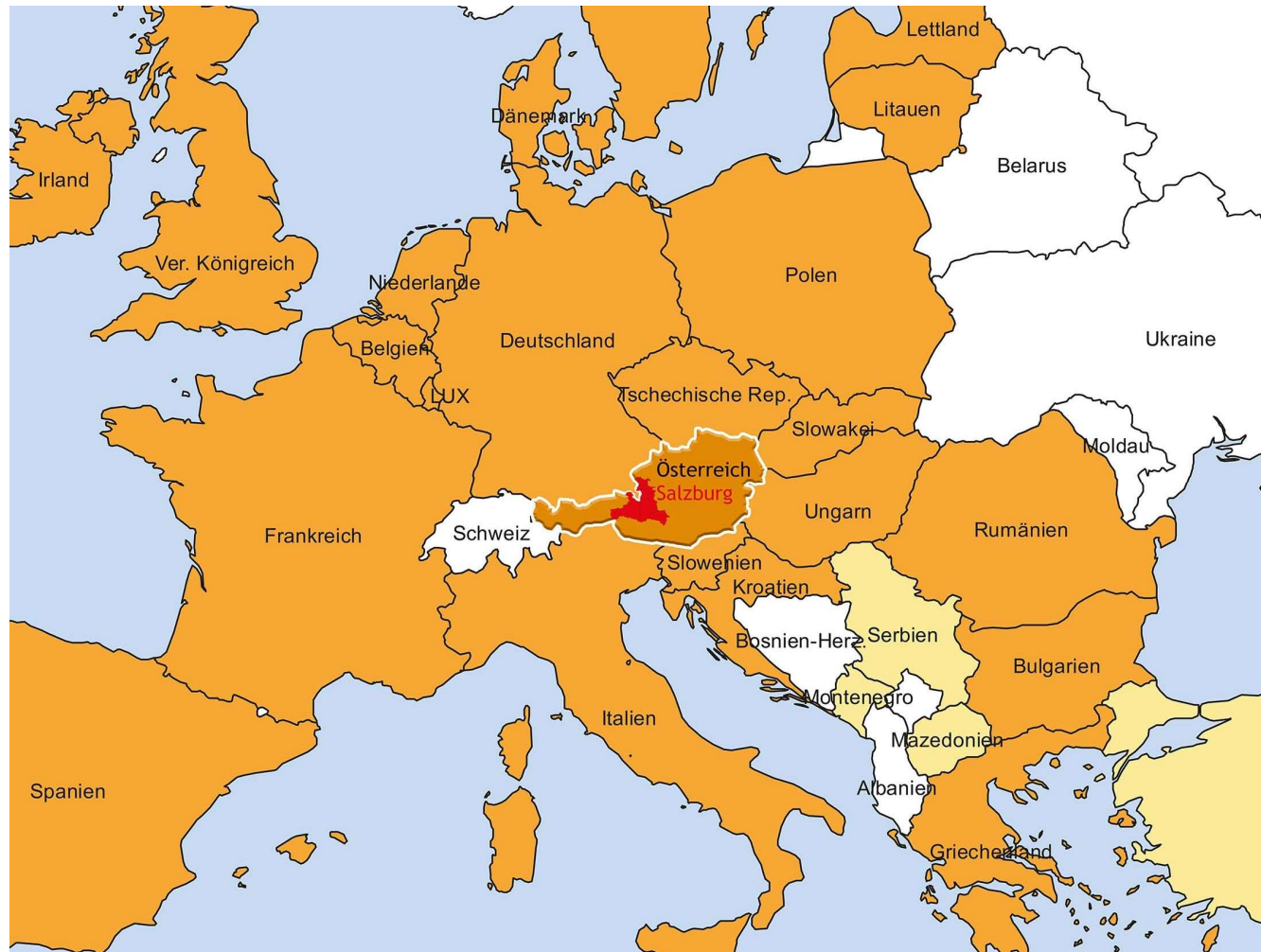




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# Bundesland Salzburg

**550.000 inhabitants**

**important economic sector: tourism**  
**28 million overnight stays (2017)**



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# Wolfgang Amadeus MOZART

was born  
in Salzburg





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# REPORT

## Supervision of tourist boards



## How to audit something, which is not allowed to be audited - an idea

LRH is not allowed to audit a tourist board by law

**BUT:**

regional government has to supervise tourist boards -> LRH is allowed to audit regional government



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# Annual income of tourist boards

association contributions and grants from the  
Tourismusförderungsfonds: about 34 million  
Euros (2016)\*

**estimated total income:  
at least 50 million Euros**

\*not enumerated: income tourist boards get from communities (in particular visitors' tax)





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# The difference between supervision and audit

## supervision:

- accompanying (likely seen as controlling)
- monitoring: like counseling, no right to intervene
- remediating: right to intervene as allowed by law

## public auditing:

- ex-post auditing
- stating mistakes and weak points
- recommendations for the legal body





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# Themes of auditing the supervision:

- legal basis of supervision
- basis in comparable Austrian regions
- organisation
  
- economic supervision
- legal supervision
- internal control system (ICS)



## Result 1 of audit: weak legal basis

- the regional parliament abolished the obligation to deliver budgets and final accounts
- long time to produce budget and final accounts

### LRH-proposals:

- short time limits for delivery
- legal transactions, relevant to assets, should be subject to registration
- automatic, electronic delivery



## Result 2 of audit: poor organisation

7 civil servants have to:

- supervise 98 tourist boards
- audit financial conduct and accounts of 118 communities and 62 municipal associations
- supervise budgets and final accounts of 118 communities, . . . .

**LRH-proposal:**

improve HRM and organisation



## Result 3 of audit: poor outcome

- 2013: no economic report to government
- 2015: weak points in reports
- no response to inadequate budgets and final accounts for 2015
- no reminders to additional claims
- no audit despite negative equity capital and negative operating result



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## Result 4 of audit:

- + legal supervision is ok, but
- turns a blind eye to procurement law
- internal control system (ICS) does not exist in documents



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## Result 5 of audit: new structure?

- abolish compulsory membership
- implement the local tourist tax as a regional tax
- sponsor specific projects - avoid scattershot



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# Basis and conclusion

Public money needs public audit!

first reaction: the existing system is ok

report has not yet been acted upon by the regional parliament

report:

[https://www.salzburg.gv.at/politik\\_/Documents/LRH/lrhbericht\\_tourismusverbaende.pdf](https://www.salzburg.gv.at/politik_/Documents/LRH/lrhbericht_tourismusverbaende.pdf)