

The use of Artificial Intelligence as opportunity for public auditing!?

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Audit Network Austria – public sector

- Austria: 1 federal state, 9 regional states
- Austrian Court of Audit –
 - Supreme Audit Institution (SAI)
 - more than 265 years - founded 1761
 - General Secretariat of INTOSAI
- 8 Regional Courts of Audit
 - Regional Audit Institutions (RAI)
 - First Steiermark 1982 – Burgenland 2002
- 1 City of Vienna Court of Audit



StRH Wien

Audit Network Austria – public sector

- Parliamentary model – independent audit institution of the regional Parliaments (except Vienna – body/institution of the municipality)
- Focus Performance Audit
- Financial Audit of financial statements of federal or regional state
- Staff: 15 to 90 people (RAI) or. +300 people (SAI)

Audit universe of RAIs in Austria

partly overlapping with
ACA

- Administration of regional state
- Regional state-owned enterprises (25% or 50% public participation)
- Administration of municipalities with < 10.000 inhabitants, above with restrictions (except RAI Lower Austria)
- Enterprises owned by municipalities (50%)
- ...

Audit universe of RAI Burgenland

- Administration of regional state
 - Staff: approx. 8000
 - Budget: approx. 1,8 bn Euro
 - total assets: approx. 2,7 bn Euro
- Regional state-owned enterprises (> 25% public participation)
 - approx. 120 enterprises
 - total assets: approx. 4 bn Euros
- Administration of municipalities and enterprises owned by municipalities
 - 171 municipalities with about 300.000 inhabitants in total
 - total assets: approx. 3 bn Euro

Challenges for RAI Burgenland

- Staff: 17 people
- Auditors: 14 people

Need for high standards for data
privacy/protection/sovereignty

Hugh amount
of documents

support for text
analysis

Hugh amount
of (financial)
data

support for
(financial) data
analysis

High quality
standards

support for quality
assurance

Complex audit
subjects/topics

support for
visualization and
dissemination of
information/reports

Project - Stakeholder



Austria

Nine regional audit institutions:
Burgenland, Carinthia, Lower Austria, Salzburg, Styria, Tyrol, Upper Austria, Vienna and Vorarlberg



**European
Commission**

Reform and Investment
Task Force (SG REFORM)



**Organisation for
Economic Co-
operation and
Development**

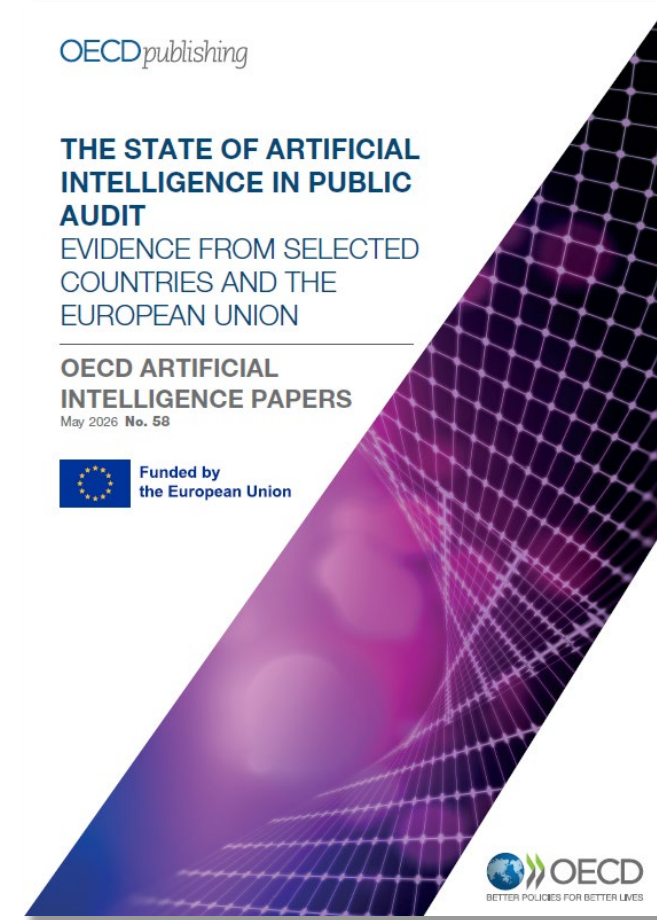
Anti-Corruption, Integrity and
Open Government (ACIOG),
Public Governance
Directorate (GOV)

Expected outcomes

- Increased knowledge of current audit practices and AI-supported methodologies.
 - Advancing the adoption of AI-supported audit methodologies
 - Enhanced data-driven decision making
- to meet the explained challenges.

The State of Artificial Intelligence in Public Audit

- Over 20+ different institutions consulted
- Focus on their practical use of AI



Uses Cases of AI in public audit



Anomaly detection, risk
assessment and classification



Predictive and preventive
models



Intelligent document
processing, data extraction,
search, retrieval and
knowledge management



GenAI for drafting,
summarising and translation



Visual and spatial data analysis

Organisational challenges for AI-adoption

**Ethics, explainability,
bias, etc.**

**Organisational culture,
capacity and supporting
adoption**

**Data quality as a
strategic asset**

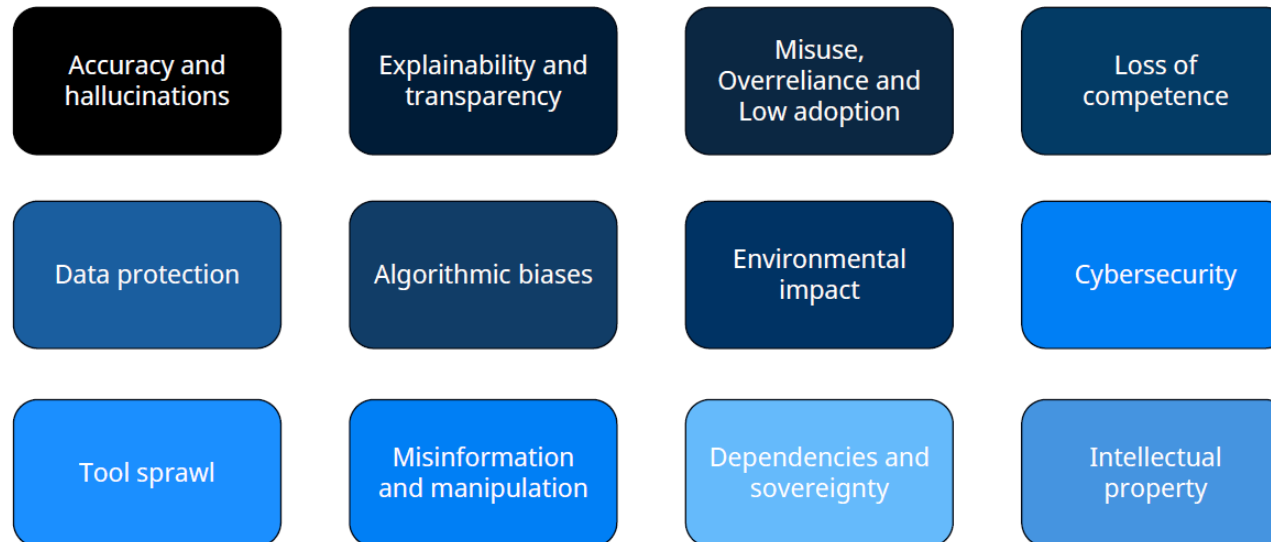
Governance and security

**Managing the pace of
change and reducing
third-party
dependencies**

**Balancing innovation,
long-term stability and
sustainability**

Successful AI-adoption

- Leadership support
- Bottom-up innovation
- Continuous effective training
- Formal governance: Risks are diverse



OECD AI Principles



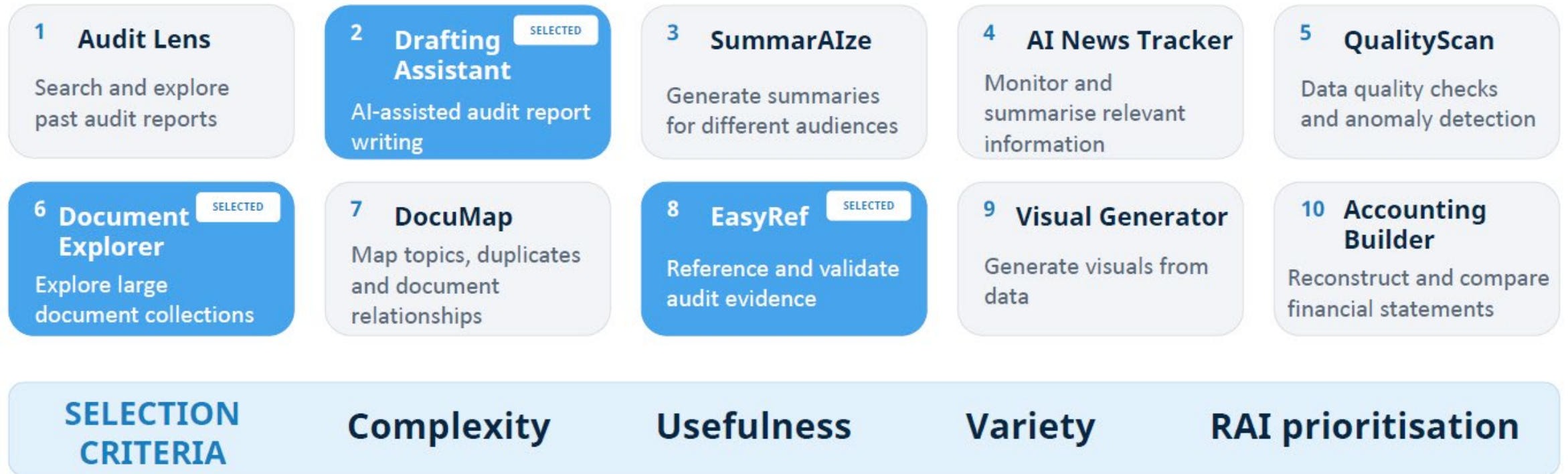
Two roles for SAIs and RAIs

- Using AI to strengthen their own audit and oversight work
- Auditing how AI is designed and governed across the public sector

Status of implementation

Potential AI use cases for audit institutions

- During the diagnostic phase 10 different uses cases were identified. 3 use cases were selected based on 4 criteria



Easy Ref – project outline

- *The OECD is supporting Austria and its regions through the EU-funded project "**Improving the audit function with AI**" — partnering with Courts to advance digital transformation and AI adoption*

STAKEHOLDERS

Audit Institutions

A network of public audit institutions working together under a shared coordination arrangement.

USE CASE

References Validation

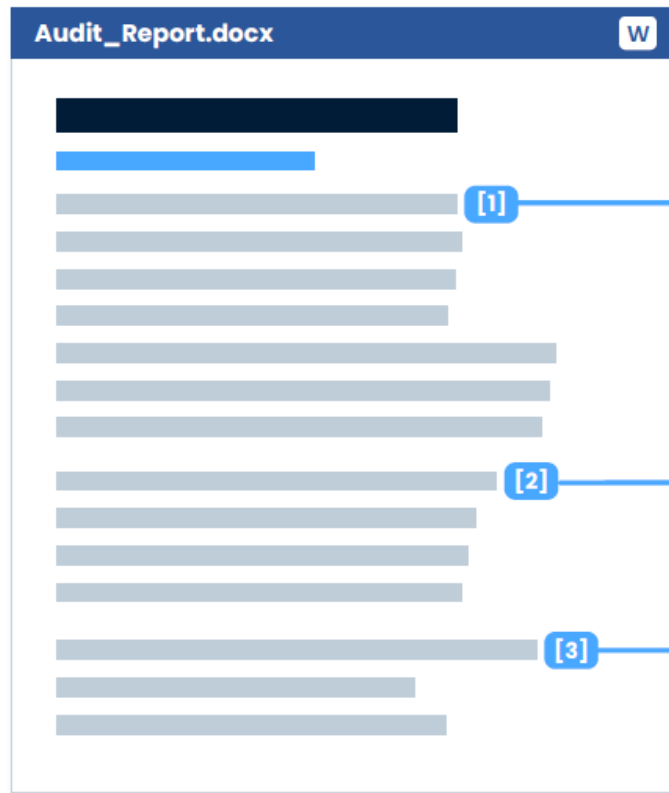
References to source content in audit reports are currently time-consuming to maintain and require significant manual effort to verify.

DELIVERABLE

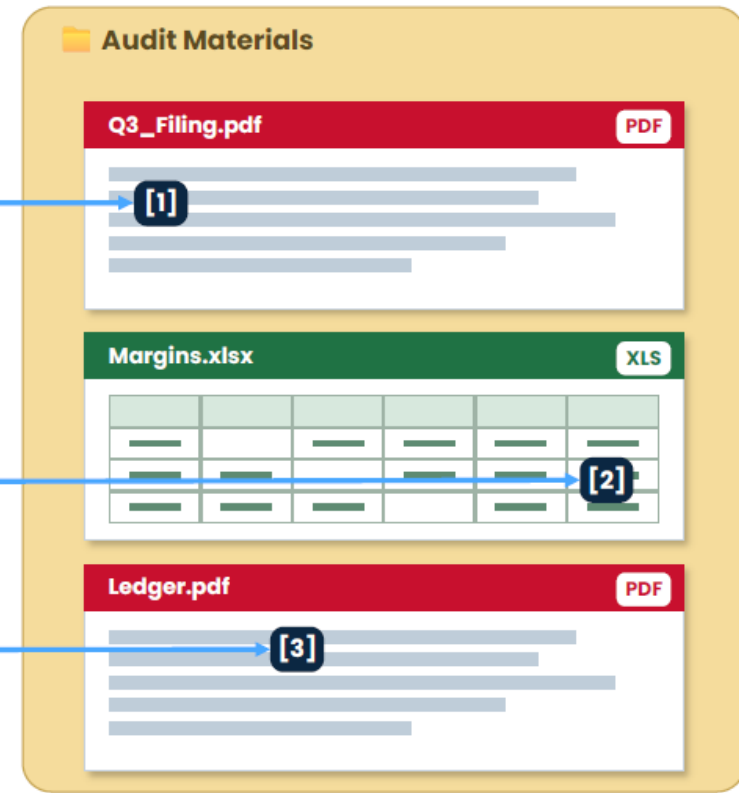
EasyRef Prototype

The goal was to create a working prototype for streamlining the management of references, to include automated verification using AI.

Source References in Audit Reports



Audit Report (Word)



Audit Evidence

Making it Easy for Auditors

EXTERNAL TABLE IN EXCEL

References in a spreadsheet

- Auditor maintains a separate references table in Excel
- Constant switching between Word and Excel breaks focus
- Manual copy-paste of citations into the report
- Easy for the table and the report to drift out of sync



NATIVE WORD INTEGRATION

References live inside Word

- Tag references directly in the Word document
- References table builds and updates automatically
- Single source of truth — no separate spreadsheet
- Auditors stay in one tool, focused on the report



Set references in Word right where they are needed — the table updates itself.

Validating References in EasyRef

References

ID	REPORT TEXT	SOURCE DOC	SOURCE LOCATION
1	"fact 1 was ..."	doc.pdf	p3. para 4
2	"cost €123 ..."	xlsx.xlsx	sheet:col:row
3	"in fact 2 ..."	doc.docx	Fig 3

Validation Methods

OPTION 1

Quick match

Word-overlap scoring (Jaccard). Runs entirely on the user's machine — no data leaves the device.

Score 0 – 100



OPTION 2

AI match

Semantic comparison by a language model. Catches paraphrasing that word overlap misses.

Match + reasoning

With more-specific references, matching is more accurate

Drafting Assistant

- **Use Case 2 Drafting assistant** (German company, working for German government, Part of OECD presentation)
- Requirements: Multi-tenancy (2+ RAI's)
Access and authorization concept
- Costs: on premises once-off costs
cloud-based only monthly fees
Monthly fees depending on number of user
decreasing fee model
- Infrastructure: Interface –server – AI-module
Interface as word plugin or the standard company
own interface (multiuser capability)

Document Explorer - Research Cockpit

- **Use Case 6 of OECD – RAI project**
- Requirements: Multi-tenancy (2+ RAI`s)
Access and authorization concept
- Costs: **Once-Off** development costs range between € 70k and € 150k
monthly infrastructure costs app. € 1.500
costs for further developments
- Time frame: development time up to 6 month;
development based on an actual project
- Infrastructure: Hosting of AI and server by provider;
local provider
User interface/audit cockpit – user friendly

Example - Mockup user interface 1/3



Upper Austrian Regional Audit Office
Aktenspur — Audit Cockpit

[Audit Overview](#)[Audit Files](#)[Reports](#)[Team](#)

Municipality of Musterdorf  

My Audits

All assigned audits at a glance. Select an audit to open the research cockpit.

+ Create new audit

All (6)

Ongoing (4)

In preparation (1)

Completed (1)

INITIATIVE AUDIT

ONGOING

Municipality of Musterdorf
Renovation of the community center — procurement audit
 Mag. A. Berger
last updated: today, 09:41

SPECIAL AUDIT

ONGOING

Market town of Seebach
Processing of association subsidies
 Mag. M. Krammer
last updated: 2 days ago

FOLLOW-UP AUDIT

IN PREPARATION

Municipality of Hofkirchen
Implementation of prior-year recommendations — municipal works yard
 Mag. A. Berger
last updated: 5 days ago

INITIATIVE AUDIT

ONGOING

Municipality of Lindenu
Procurement for sewer renovation, northern district
 DI R. Steiner
last updated: 1 day ago

SPECIAL AUDIT

REPORT UNDER REVIEW

Market town of Aisting
Financial management of the kindergarten association
 Mag. M. Krammer
last updated: 3 weeks ago

FOLLOW-UP AUDIT

ONGOING

Municipality of Rosenau
IT security of the municipal administration
 Mag. A. Berger
last updated: 4 days ago

Example - Mockup user interface 2/3

INITIATIVE AUDIT · MUNICIPALITY OF MUSTERDORF: RENOVATION OF THE COMMUNITY CENTER

Research Cockpit

Searches minutes, emails and contracts from the municipality's DMS and summarizes the facts with date, source and reference.

Q

Were sufficient comparative offers obtained for the renovation of the community center?

Start deep research

AI is searching 1,842 documents in 3 of 5 folders · [Show restriction](#)

Summary

Chain of evidence

Results

Folders & filters

SEARCH SCOPE

Period 01.2024–07.2026 ×

Folders: Municipal council, Building department, Mayor's office ×

Type: Minutes, emails, Word, PDF ×

Restrict folders

AI SUMMARY

Regenerate

Add to finding

Procurement of the renovation works for the community center

On **14 Feb 2026**, the municipal council resolved to renovate the community center with a budget of EUR 480,000 **[1]**. On **18 Feb 2026**, the mayor asked the building department by email whether several comparative offers needed to be obtained for a project of this size **[2]**.

The building department replied on **25 Feb 2026**, justifying the single offer with the urgency before the start of the school year **[3]**. The contract was awarded on **3 Mar 2026** without further comparative offers **[4]**. The municipal council merely noted the matter on **15 Mar 2026** **[5]**.

The reviewed records contain no separate documentation further substantiating the stated urgency.

⚠

Possible audit finding: deviation from the best-bidder principle without documented justification. Please verify sources [2]–[4] in the original documents.

Generated from 5 sources · 3 folders

Last updated: today, 09:41

FOLDERS (DMS EXPORT)

✓

Municipal council

412

✓

Minutes 2024–2026

288

✓

Resolutions

124

✓

Building department

567

✓

Procurement files

201

✓

Correspondence (emails)

366

✓

Mayor's office

298

✓

Email mailbox export

298

›

Finance

389

›

Other documents

176

DOCUMENT TYPE

lrrh
BURGENLÄNDISCHER
LANDES-RECHNUNGSHOF

LRH
Oö. Landesrechnungshof

Example - Mockup user interface 3/3

CHAIN OF EVIDENCE - CHRONOLOGICAL RECORD

1	2	3	4	5
14.02.26	18.02.26	25.02.26	03.03.26	15.03.26
Council meeting, resolution	Email mayor → building dept.	Email building dept. reply	Award memo	Council meeting, noted

12 results in 3 folders · search time 1.8 s

Sort: Relevance ▾

MINUTES

Minutes of municipal council meeting No. 3/2026

Municipal council > Minutes 2026 > GR-Protokoll_2026-02-14.pdf

Item 6: The municipal council unanimously resolves the renovation of the community center with a budget of € 480,000. Construction management is assigned to the building department.

14.02.2026 97% match [Open in document ↗](#)

EMAIL

RE: Community center renovation – procurement approach

Mayor's office > Email export > 2026-02-18_Huber_Bauamt.eml

"Please quickly clarify whether we need to obtain several comparative offers for a project of this size before we proceed." — Mayor Huber to the building department.

18.02.2026 94% match [Open in document ↗](#)

EMAIL

RE: RE: Community center renovation – procurement approach

Building department > Correspondence > 2026-02-25_Bauamt_an_Huber.eml

"Given the urgency before the start of the school year, we only obtained one offer from Fessler to avoid losing time."

25.02.2026 91% match [Open in document ↗](#)

FOLDERS (DMS EXPORT)

✓ Municipal council	412
✓ Minutes 2024–2026	288
✓ Resolutions	124
✓ Building department	567
✓ Procurement files	201
✓ Correspondence (emails)	366
✓ Mayor's office	298
✓ Email mailbox export	298
✗ Finance	389
✗ Other documents	176

DOCUMENT TYPE

✓ Minutes
✓ Emails
✓ Word documents
✓ PDF
✗ Invoices

PERIOD

01.01.2024 – 23.07.2026

[Reset](#) [Apply](#)

3 Take-aways

- Advancing Together

*Not all nine institutions need to move at the same pace -
- but all can move forward.*

01 Tiered collaboration model

A 'coalition of the willing' — advanced institutions pilot, others join at readiness. Approach use cases differently: independent but better together / federated by necessity / one leads for all, etc.

02 Formal working group

A dedicated inter-institutional group with rotating secretariat, clear mandate, and a minimum budget for joint initiatives. Continuity over aspiration.

03 Shared training programme

Divide module ownership across RAIs. Each institution leads one or more topics for the group — reducing duplication and building shared culture.

04 Shared test infrastructure

A common sandbox or virtual environment for piloting AI tools, with agreed rules on data use, access controls, and output management.

05 Shared knowledge repository

A maintained repository of use cases, prompt libraries, lessons learned, training materials, and compliance templates. Shared expertise repository.

06 Common responsible AI principles and definitions

A jointly endorsed set of principles covering acceptable use, data protection, human oversight, and transparency but also risks; as a reference for each institution's own policies.

3 Take-aways

- Advancing Together
- Upskilling people

01

Skills gaps are the #1 barrier to AI adoption

Skills gaps are the most commonly reported obstacle to AI adoption in government — cutting across all functions and contributing to resistance to change among public servants.

OECD, 2025

02

Without skills, institutions hollow out

Skills gaps drive over-reliance on external procurement, eroding institutional capacity. Without in-house expertise, governments struggle to design training, recruit effectively, or evaluate vendor offerings, creating a self-reinforcing cycle.

03

Oversight requires capability

Without proactive skills development, public agencies risk merely reacting to technological change rather than shaping it. An audit institution unable to demonstrate effective, self-directed use of AI will similarly struggle to oversee it.

3 Take-aways

- Advancing Together
- Upskilling people
- Reuse before you built

- Not every problem requires AI... and not every AI need requires a new system.
- Before buying or building, ask what can be adopted, adapted or shared.

Get more from existing tools

- Many institutions underuse tools they already possess or have access to.
- Focus on integration, practical training, sustained adoption

High adoption can deliver more value than new acquisition.

Reuse tools and solutions

Build on what already exist:

- Solutions developed by other public institutions,
- Open-source software and reusable components, etc.

Choose the simplest solution that meets the need, not necessarily the newest or most powerful.

Thank you for your
attention!

