Sustainability Report 2023

of the Austrian Audit Oversight Authority (APAB)

21 May 2024

APAB
Abschlussprüferaufsichtsbehörde

Contents

1. Introduction 3

2. About the APAB 3

2.1. Basic information 3

2.2. APAB's mission 3

2.3. The authority's long-term goals 4

3. Sustainability at the APAB 5

3.1. Background 5

3.2. Sustainability as part of the APAB strategy 5

4. About this report 7

4.1. Applicable standards 7

4.2. Form of reporting 7

4.3. Materiality analysis 8

5. Our responsibility to the environment 9

6. Our responsibility to our employees 12

Employee-related sustainability programme: Measures and goals 14

7. Our responsibility to society 15

7.1. Supervisory activity of the APAB 15

7.2. Corporate governance 15

7.3. Corruption prevention 16

7.4. Protection of whistleblowers 16

7.5. Data protection 17

7.6. Combating money laundering and the financing of terrorism 18

7.7. Cooperation with authorities in third countries 18

8. Index of contents 20

1. Introduction

This report for the financial year 2023 is the first sustainability report prepared by the APAB. The APAB is not legally obliged to prepare and publish a sustainability report, but recognises that as a federal authority it should function as a role model and wishes to comprehensively meet its stakeholders' requirements for information.

2. About the APAB

2.1. Basic information

The Austrian Audit Oversight Authority ("APAB") was established on 27 September 2016 as an independent institution under public law which acts free from instructions, and it commenced its supervisory activity with effect from 1 October 2016. Under the legal supervision of the Austrian Federal Minister of Finance, the APAB oversees statutory auditors and audit companies. It is also the authority in respect of administrative penalties. The main legal framework comprises the Austrian Auditor Oversight Act (Abschlussprüfer-Aufsichtsgesetz – APAG) and Regulation (EU) No 537/2014.

The authority's tasks and powers include:

- Performing quality assurance of statutory auditors and audit companies, and undertaking the associated reviews
- Conducting inspections of statutory auditors and audit companies, as well as cooperative auditing associations and the Sparkassen auditing association if they are Public Interest Entities (PIE)
- Maintaining a public register of all statutory auditors and audit companies that are in possession of a valid certification
- Supervising the continuing education of statutory auditors
- Conducting inspections as required
- Supervision of PIEs concerning their compliance with the obligations of relevance to auditors if they are not already subject to the FMA
- European and international cooperation

2.2. APAB's mission

As an independent authority which acts free from instructions, the APAB supervises statutory auditors and audit companies, and reviews their quality assurance systems. It also promotes effective supervision of the audit and its independence via the audit committees of the audited companies. In this way we act in the public interest by contributing to the reliability of audited corporate reporting.

By maintaining a public register of certified statutory auditors and audit companies, as well as collecting, processing and publishing meaningful information, we ensure transparency in the auditing market. If we identify violations by statutory auditors or audit companies of the provisions of relevance to auditing, we consistently hold them accountable to the extent permissible by law.

2.3. The authority's long-term goals

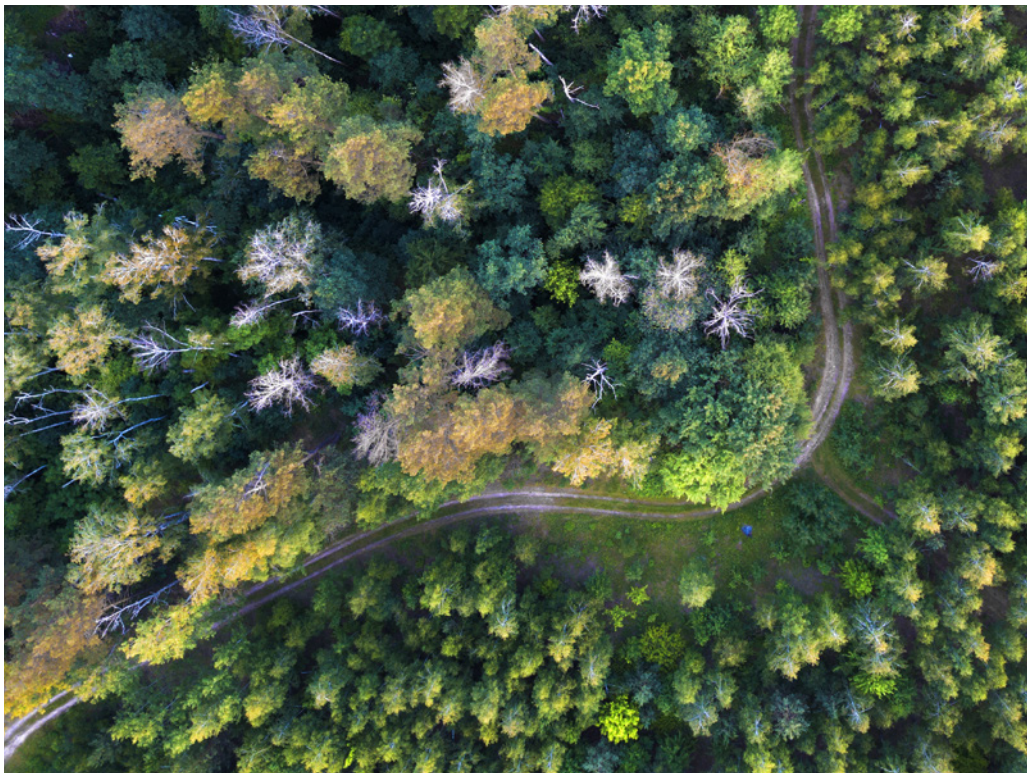
The Board of the APAB has defined 4 long-term goals for the authority's supervisory activity.

Goal 1: Supervision by the APAB ensures that audits performed in Austria are of high quality on an international comparison.

Goal 2: The measures taken by the APAB promote the establishment in the audit companies of a quality environment which aims to achieve a continuous improvement of the audit quality.

Goal 3: The measures taken by the APAB promote the intensification of the auditors' supervision undertaken by the audit committees of Public Interest Entities pursuant to Section 189a 1 (a) and (d) of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB).

Goal 4: The APAB is perceived nationally and internationally as an expert organisation which acts independently, transparently, efficiently and with a focus on sustainability.



3. Sustainability at the APAB

3.1. Background

The European Union has committed itself to the United Nations Sustainable Development Goals and to achieving the Paris climate goals. The financial market and finance sector have a key role to play in the increased focus on sustainable business. For capital flows to be systematically directed towards sustainable activities, the capital providers need to possess reliable information on sustainability. Therefore in 2022, the European Parliament and the European Council passed Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive – CSRD). The aim of the CSRD is to improve sustainability reporting, in order to make better use of the European single market and contribute to a fully sustainable and inclusive economic and financial system in accordance with the European Green Deal and the United Nations Sustainable Development Goals.

As the CSRD also provides for a duty of external auditing of the information relating to sustainability, this will also have a substantial impact on the APAB as the supervisory authority for statutory auditors and audit companies. To be approved as a statutory auditor or audit company for the auditing of sustainability reporting, they will need to register with the APAB, and the scope of the quality assurance audits will be enlarged to include inspection of the audit files in respect of sustainability reporting. In addition, the APAB's investigation and sanction regime will be extended to include sustainability reporting audits. Furthermore, standards for sustainability reporting audits will require approval by the APAB. Work is currently underway on transposing the CSRD into Austrian law, and the CSRD grants the member states a series of choices relating to this transposition. Therefore at the current time, there is still a lack of clarity as to the actual statutory provisions which will in future be applicable in Austria. It is, however, becoming clear that the topic of sustainability will be an important aspect of the supervisory activity of the APAB. The employees and the Board of the APAB look forward to making a contribution to achieving the goals of the CSRD through their supervisory activity.

In 2015, the Republic of Austria undertook to implement the 2030 Agenda for Sustainable Development that was agreed by the United Nations (UN) in that year. The 2030 Agenda contains 17 goals and 169 targets for sustainable development (Sustainable Development Goals – SDGs). In its Government Programme 2020–2024, the Austrian government made a clear commitment to the 2030 Agenda goals. Therefore in the strategy which it finalised in September 2023, the Board of the APAB defined the subject of sustainability as one of its key areas.

3.2. Sustainability as part of the APAB strategy

Within the scope of its strategy process, the Board of the APAB reviews how the APAB's activities are contributing or can contribute to the Sustainable Development Goals. The sustainability officer at the APAB is Board member Michael Komarek. Through its activities the APAB strives to make a contribution to achieving the following SDGs:

Quality education	High-quality education is an essential prerequisite for sustainable development. APAB employees regularly speak free of charge at universities or other educational establishments.
Achieve gender equality and empower all women and girls	At the APAB there is equal pay for equal work. Remuneration is determined on the basis of the position and qualifications. APAB is resolutely opposed to any form of discrimination, bullying and sexual harassment.
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	The APAB fosters the physical and mental well-being of its employees. It develops its employees and strengthens their specialist and interpersonal skills. It enables students to gain their first professional experience.
Take urgent action to combat climate change and its impacts	The APAB has identified and partly implemented a whole series of measures by means of which it can contribute to combating climate change and complying with the Paris Agreement climate goals.
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	The supervision by the APAB ensures that the supervised statutory auditors and audit companies comply with the laws, quality assurance and auditing standards. It reinforces the supervision of audit committees over Public Interest Entities. Through its activity in the public interest it contributes to the reliability of audited corporate reporting. By maintaining a public register of certified statutory auditors and audit companies, as well as collecting, processing and publishing meaningful information, it ensures transparency in the auditing market. If it identifies violations by statutory auditors or audit companies of the provisions of relevance to auditing, it consistently holds them accountable to the extent permissible by law, and thus strengthens the public's legitimate trust in consistent law enforcement. The APAB handles protected data in confidence. This serves to safeguard privacy and reinforces the trust in institutions.
Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	The APAB works together with authorities in third countries, thus supporting the strengthening of modern and efficient administrative structures at the partner authorities.

Table 1: SDGs and the APAB sustainability strategy

4. About this report

The CSRD does not stipulate any obligation for public bodies to prepare a sustainability report, but as the Republic of Austria has made a commitment to the United Nations Sustainable Development Goals, the APAB as a federal authority should function as a role model. Therefore in its work programme for 2024, the APAB undertook to voluntarily prepare a sustainability report for the calendar year 2023.

4.1. Applicable standards

If the size classes in Section 221 UGB were to be applied analogously, the APAB would be classified as small, as it clearly falls short of all 3 limits as stated in Section 221 Para. 1 UGB (total assets of EUR 5 million, revenues of EUR 10 million and 50 employees). The full application of the ESRS, which were developed for large corporations or Public Interest Entities, would therefore be excessive. So in preparing its voluntary sustainability report, the APAB resorted to the draft "Voluntary ESRS for non-listed small- and medium-sized enterprises – exposure draft (VSME ESRS ED)"[1] published by EFRAG on 22 January 2024. The APAB also participated in the field test of these standards organised by EFRAG; by participating in the field test the APAB is making a contribution to the development of these important standards in the public interest.

4.2. Form of reporting

For its reporting APAB applies the Basic Module, although the information provided in this report clearly exceeds the minimum requirement of the VSME ESRS ED, for example through a detailed description of the activities relating to sustainability matters.

In Point 14, the VSME ESRS ED stipulates that the sustainability report should be integrated into a section of the management report. If no management report is prepared, the sustainability report can be prepared as a separate report. Pursuant to Point 13 this should be published at the same time as the annual financial statements, but the APAB deviates from this requirement: the reason for this is the fact that the APAB's activity is not economically motivated. On the contrary, the APAB was set up by means of a constitutional provision to conduct the supervision of statutory auditors and audit companies. Accordingly, the descriptions of the APAB's activities and the results of its operations that are primarily relevant for the stakeholders are contained not in the annual financial statements, but in its annual report, pursuant to Section 4 Para. 2 (12) APAG and Art. 28 of Regulation (EU) No 537/2014. The annual report also contains the APAB's annual financial statements, although for reasons of transparency the APAB had already voluntarily published its annual financial statements in March 2024. This sustainability report is therefore being published together with its annual report.

1 https://www.efrag.org/Assets/Download?assetUrl=/sites/webpublishing/Meeting%20Documents/2311131059281397/03-02%20%5bDraft%5d%20VSME%20ESRS%20ED.pdf

4.3. Materiality analysis

Like the ESRS, the VSME ESRS ED also provides for double materiality, in other words those sustainability topics should be reported that can have a material impact on the financial situation (financial materiality) or through which the undertaking's own activities have a material impact on people and the environment.

As this sustainability report was prepared on the basis of the Basic Module of the VSME ESRS ED, no formal materiality analysis is stipulated.

Nonetheless, the Board of the APAB performed an analysis of which topics it regards as material. The results of this analysis are as follows:

Sustainability matter	Assessment	Reasons
Climate change	Material	The Republic of Austria has committed itself to achieving the Paris climate goals, and must therefore prepare a National Energy and Climate Plan (NECP) which is binding under European Union law. Public bodies have a direct role-model function in terms of implementing the long-term goals of the Paris Agreement – which therefore includes the APAB.
Pollution	Not applicable	The activity of the APAB does not give rise to any appreciable pollution.
Water and marine resources	Not applicable	The activity of the APAB does not lead to any appreciable consumption of water resources.
Biodiversity and ecosystems	Not applicable	The activity of the APAB has no appreciable impact on biodiversity.
Circular economy	Not applicable	On the basis of APAB's activity, it does not make use of any materials apart from office supplies.
Own workforce	Material	The activity of the APAB has a particular function as a role model, for example with regard to diversity and equal opportunities.
Workers in the value chain	Not applicable	Activities such as IT services and accounting are indeed outsourced, but in 2023 the most important service providers were the federal Agency for Accounting (Agentur für Rechnungswesen) and the Austrian Federal Computing Centre (Bundesrechenzentrum), which can both be assumed to provide appropriate working conditions.
Affected communities	Not applicable	The activity of the APAB has no impact on affected communities.
Consumers and end-users	Material	Here in particular the information-related impacts come into consideration, such as data protection and access to high-quality information. In addition, the supervisory activity of the APAB has an impact on the users of audited company reports and on the supervised statutory auditors and audit companies.
Business conduct	Material	As a public body, the APAB has no special obligations in connection with corruption prevention and the protection of whistleblowers.

Table 2: Material sustainability matters for APAB

The key stakeholders of the APAB are in particular:

- the supervised statutory auditors and audit companies;
- the supervised Public Interest Entities;
- the companies audited by statutory auditors and audit companies and their governance bodies – in particular the audit committee;
- the employees of the APAB;
- the Austrian Government and its executive and legislative bodies;
- to a limited extent, suppliers and service providers.

5. Our responsibility to the environment

In December 2019, pursuant to the EU Regulation on the Governance of the Energy Union and Climate Action, the Austrian Government transmitted an integrated National Energy and Climate Plan (NECP) to the European Commission. This comprises a large number of detailed measures, which taken together make a substantial contribution to achieving the goals in terms of greenhouse gas emissions, energy efficiency and renewable energy in the period 2021–2030. In terms of implementing the long-term goals of the Paris Agreement, the public authorities' holdings have a direct function as role models. Therefore in 2020 the APAB surveyed what steps it can take to contribute to achieving the goals of the Austrian National Energy and Climate Plan.

To prevent emissions that are harmful to the climate, the APAB does not make use of company cars. Business travel is strictly undertaken using public transport, unless this is unreasonable in the individual case. To encourage the APAB's employees to use public transport, all employees apart from the Board are given an annual season ticket from Wiener Linien. Furthermore, in 2021 incentives for travelling to and from work by bicycle were offered for a limited period.

To prevent waste, in 2021 a process was commenced to fully digitalise file-keeping and the sending of official documents. The use of recyclable consumables was also extended and the coffee machine in the kitchen was switched from coffee capsules to coffee beans, preventing substantial quantities of aluminium waste.

The APAB has been purchasing electricity that is 100% underlaid with proof of origin from renewable energy sources since 2021. In future the APAB plans to procure electricity which satisfies the even stricter requirements of the Austrian Ecolabel.

These stipulate that

- 100% of the electricity has come from renewable energy sources, of which at least 1% from photovoltaics;
- at least 10% has come from power plants that are not over 15 years old, or were revitalised or extended no more than 15 years ago;
- no separate trade in electricity and certificates of origin is undertaken;
- the names of the power plants and the quantities of energy procured are disclosed during the term of the contract.

The APAB makes every effort to reduce its electricity consumption. For this purpose, a system was set up in 2023 which enables almost all energy-consuming devices to be separated from the power grid at the push of a button after the end of office hours.

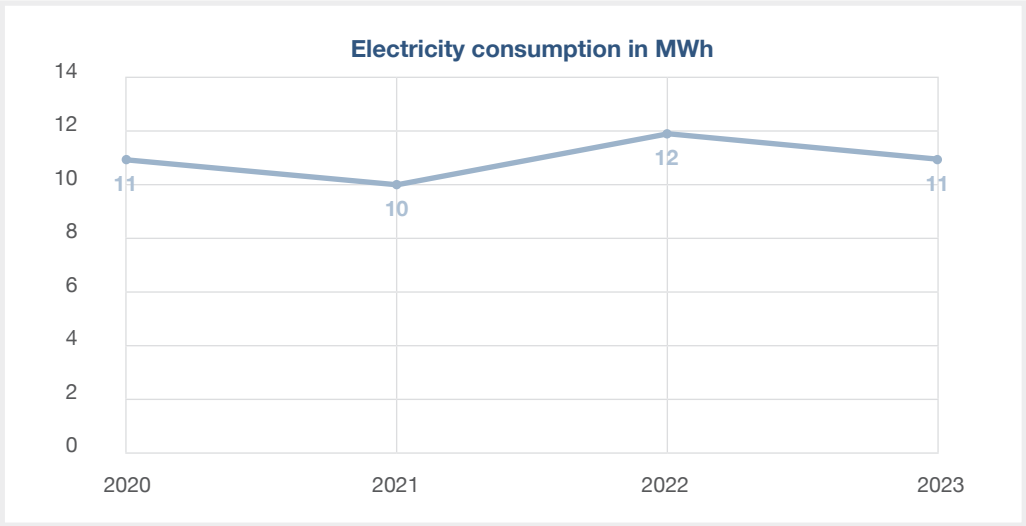


Figure 1: The APAB's electricity consumption

The APAB's premises are heated with natural gas. This cannot be changed in the foreseeable future without moving out of the premises, but the APAB has made efforts to reduce the gas consumption. Thus in 2021 the windows were sealed by a carpenter and the heat settings were optimised by means of a thermostat. The APAB plans to equip all heaters with digital heater thermostats in 2024, to enable the heat management to be automatically optimised depending on the room occupancy.

The APAB also plans when next renewing its gas supply contract to ensure that the gas that is supplied also contains a proportion of biogas.

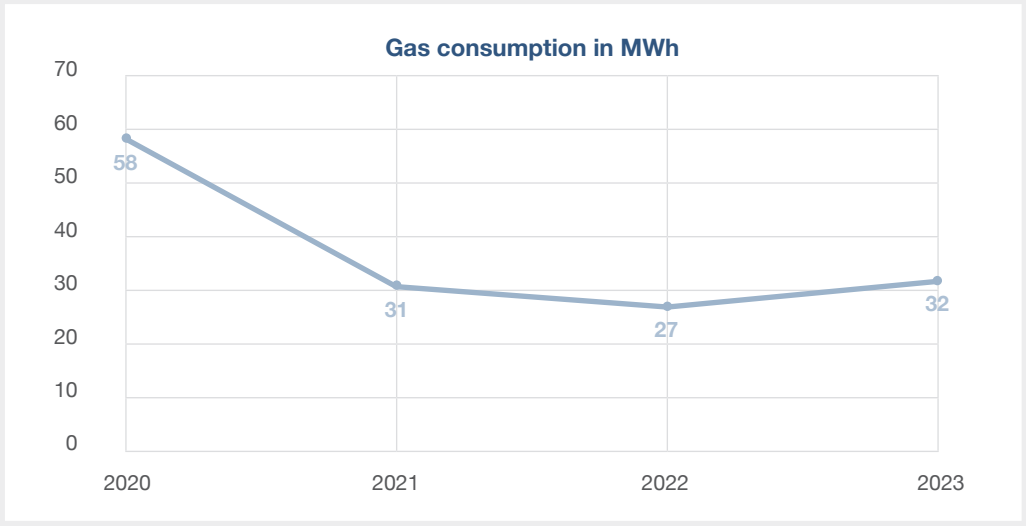


Figure 2: The APAB's gas consumption

The APAB's total energy consumption from 2020 to 2023 in MWh developed as follows:

	2020	2021	2022	2023
Natural gas	58	31	27	32
Electricity	11	10	12	11
(of which from renewable energy sources)	*(10)*	*(10)*	*(12)*	*(11)*
Total	**69**	**41**	**39**	**42**

Table 3: The APAB's total energy consumption in MWh

The greenhouse gas emissions caused by an organisation's activity are divided into 3 different categories, known as Scope 1, Scope 2 and Scope 3 emissions. Scope 1 greenhouse gas emissions are direct greenhouse gas emissions arising from sources controlled or owned by an organisation. The Scope 1 emissions caused by the APAB are essentially caused by heating the offices by means of a gas-fired boiler. The Scope 2 emissions are indirect Scope 2 emissions by the authority which come from the use of electric energy. Although the actual emission takes place outside the physical borders of the authority, it is nonetheless attributed to the authority. Scope 3 emissions are indirect greenhouse gas emissions which arise outside the authority's direct control, but are still part of its value chain. The VSME ESRS ED does not stipulate that Scope 3 emissions must be stated.

The APAB's greenhouse gas emissions in 2022 and 2023 in tonnes of CO2 equivalent were as follows:

	2022	2023
Scope 1 (in tCO_2e)	6,7	7,8
Scope 2 (in tCO_2e)	0,4	0,4
Total (in tCO_2e)	**7,1**	**8,2**

Table 4: The APAB's greenhouse gas emissions

The Scope 1 emissions were calculated on the basis of the emission factors of the Environment Agency Austria for the combustion of natural gas, including both direct and indirect emissions.

As the electricity procured by the APAB since 2021 has been 100% underlaid with certificates of its origin from renewable energy sources, no direct Scope 2 emissions were estimated for the electricity generation. However, even when electricity is generated via renewable energies, indirect emissions still arise, for example through the resources and materials for the manufacture and maintenance of the power plants. These indirect emissions were calculated on the basis of the emission factors of the Environment Agency Austria for an average power plant park in Austria.

Environmental sustainability programme: Measures and goals

Area	SDG	Goal	By	Measure	Status	
Energy		Procurement of green electricity	2025	Conclusion of an electricity supply contract that meets the requirements of the Austrian Ecolabel	In preparation	
Energy		Reduction in the energy consumption for heating warmth	2024	Installation of digital heater thermostats	In preparation	
Energy		Addition of biogas to the gas procured	2024	Conclusion of a gas supply contract under which as well as natural gas, a proportion of biogas is added	Being planned	
Energy		Reduction in electricity consumption by means of electronic devices in standby mode	2023	Implementation of a system to separate almost all electricity-consuming devices from the power grid after the end of office hours	Implemented	

Table 5: Environmental sustainability programme

6. Our responsibility to our employees

We consider that the basis for successful activity by the authority is motivated, qualified and healthy employees who respect each other while working together. Therefore we make every endeavour to create a working environment that enables all our employees to develop their potential irrespective of gender, origin, religion or sexual orientation.

The structure of the APAB's employees as at 31.12.2023 is as follows:

APAB employees	Female	Male
Full-time	5 (previous year: 5)	5 (previous year: 5)
Part-time	1 (previous year: 1)	0 (previous year: 0)
FTE	5.7 (previous year: 5.7)	5 (previous year: 5)

Table 6: The APAB's employee structure

Apart from the directors, all of the APAB's employees as at 31.12.2023 had open-ended employment contracts. As at 31.12.2022 one employee was employed on a fixed-term contract as a replacement for an employee on parental leave.

The proportion of women on the Supervisory Board of the APAB is 50%, while both directors are male.

Due to the high specialist requirements for our employees we support their training and development. The following table shows the number of hours' training per employee:

	Female	Male
Training hours 2023	65,2	53,5
Training hours 2022	51,1	40,4

Table 7: Training hours by gender

With our salary policy we ensure there is strictly equal treatment of the genders. All employees of the APAB should receive a fair salary in line with the market. The average salary of female employees (on a full-time basis) compared to the male employees (excluding directors and interns) as at 31.12.2023 is 88.9% (31.12.2022: 84.9%). For female employees with a university degree or equivalent, the average salary as at 31.12.2023 is 95.2% of that of a male employee with a university degree or equivalent (31.12.2022: 90.7%.). This difference can primarily be explained by the longer average professional experience of the male employees (around 18 years) compared with the average professional experience of the female employees (around 11 years). The APAB resolutely confronts any form of discrimination, bullying and sexual harassment, and has implemented a reporting system for misconduct. There was no misconduct in either 2022 or 2023.

The APAB's employees are not subject to a collective agreement. However, at the APAB a standardised flexible working time model and the possibility of teleworking are included in the individual service contracts, and in this way account can be taken of the employees' individual needs. The quota of employees working from home is generally 40%. This creates leeway for childcare and enables an early return to work after parental leave. In 2023 1 employee (2022: 2 employees) was entitled to parental leave, and also made use of this (2022: 2 employees). In 2023 1 employee returned from parental leave (2022: 1 employee). The employees who returned from parental leave in 2023 and 2022 each resumed their activity at the APAB after less than 1.5 years of parental leave.

The APAB has a balanced age distribution. 72% of the employees as at 31.12.2023 were in the 30–50 years age group. 10% are between 20 and 30 years old, and 18% are over 50.

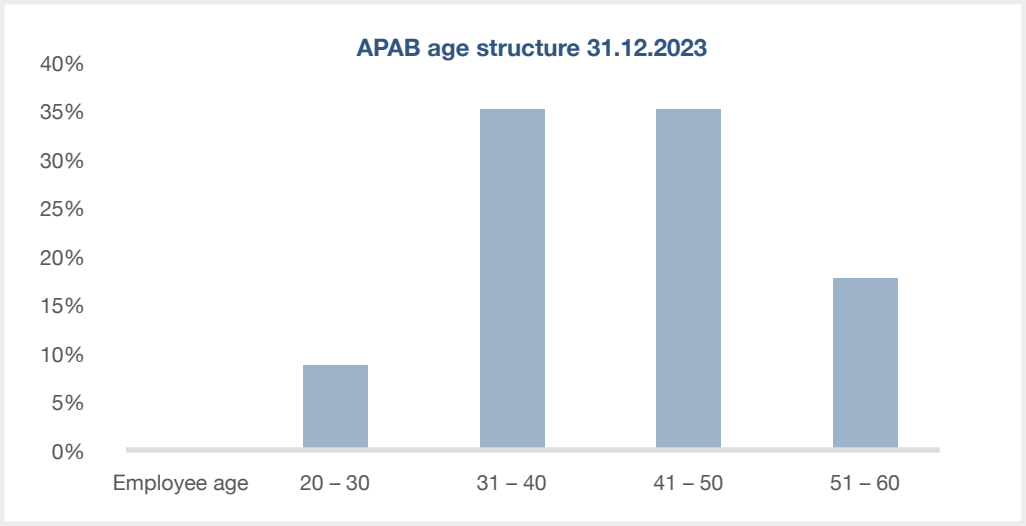


Table 8: The APAB's age structure

In 2023 the turnover of employees on permanent contracts was 0%; in 2022 one employee on a permanent contract left (turnover of 9%), as after the expiry of her parental and educational leave she did not resume her activity at the authority.

Healthy and motivated employees are the major factor for successful supervisory activity by the APAB, therefore it regards the safety and health of its employees as important. In 2023 – as in 2022 – the APAB did not record any occupational accidents.

Employee-related sustainability programme: Measures and goals

Area	SDG	Goal	By	Measure	Status	
Attractive employer		Measurement of employee satisfaction and motivation	2025	Participation in "Great Place to Work" certification process	Being planned	
Attractive employer		Creation of optimal conditions for family life and working life	2026	Participation in "berufundfamilie" certification process	Being planned	
Training and development		At least 30 hours of training per employee per year	2023	Average training per employee to the extent of at least 30 hours per year	Implemented	
Training and development		Development of expert knowledge with regard to sustainability reports and their auditing	2025	Certification of all inspectors with regard to sustainability reports and the auditing of sustainability reports	Being implemented	
Diversity, equal opportunities, equal treatment		Guarantee of an environment free from discrimination, bullying or sexual harassment	2024	Preparation of a code of conduct for all employees on the prevention of discrimination, bullying or sexual harassment	Being planned	
Communication		Use company excursions for raising awareness of sustainability	2025	Identification of possible activities	Being planned	

Table 9: Employee-related sustainability programme

7. Our responsibility to society

7.1. Supervisory activity of the APAB

In Section 3 Para. 1 APAG, which has constitutional status, the purpose of the APAB is stated as conducting the supervision of statutory auditors and audit companies. By its very nature, the supervisory activity of the APAB has a direct impact on the statutory auditors and audit companies. The APAB also promotes the effective monitoring of auditing and its independence via the audit committees of the audited companies, and in this way contributes to the reliability of audited corporate reporting in the public interest. By maintaining a public register of certified auditors and audit companies, and by collecting, processing and publishing meaningful information, it ensures transparency in the audit market. By imposing sanctions and administrative penalties in the event that statutory auditors or audit companies violate the provisions of relevance for auditing, it strengthens the public's legitimate trust in consistent law enforcement. The activities involved in its supervisory activity are presented in detail in the annual report pursuant to Section 4 Para. 2 (12) APAG and Art. 28 Regulation (EU) No 537/2014. Reference is therefore made to this annual report.[2]

7.2. Corporate governance

Corporate governance which guarantees the stability, sustainability and efficiency of decision processes is of particular importance for an authority: because it handles public money, its executive bodies must bear a particular responsibility and duty of care. Furthermore, the APAB bears the responsibility of ensuring the quality of auditing through its supervisory activity and thus contributing to the reliability of audited corporate reporting, which is of great importance to the national economy. It is therefore in the interest of the state and the public that the authority is professionally managed and that the executive bodies are bound by the rules of good corporate governance.

Therefore in their respective sphere of action, the legal bodies of the APAB undertake to comply with the regulations of the Federal Public Corporate Governance Code 2017 (Bundes-Public Corporate Governance Kodex 2017 – BPCGK 2017). This can be publicly viewed online at http://www.bundeskanzleramt.gv.at. The BPCGK 2017 contains both mandatory provisions (referred to as the "K" regulations), which must be fully respected insofar as no mandatory statutory provisions preclude this on a case-by-case basis, and also "Comply or Explain" regulations (referred to as the "C" regulations), from which deviations are possible, but this must be disclosed annually in the Corporate Governance Report together with the reasons.

The APAB complies with all the mandatory provisions, and due to the authority's small size deviates from the C regulations of the B-PCGK 2017 only on a small number of points.

2 Cf. www.apab.gv.at/ueberuns/zahlenFakten

For further details, reference is made to the separate Corporate Governance Report[2] published annually by the APAB.

Compliance by the APAB with the regulations of B-PCGK 2017 is regularly evaluated by an external institution. The last external evaluation took place in the financial year 2020 and there were no adverse findings. The APAB plans to have a new external evaluation conducted in the financial year 2025.

7.3. Corruption prevention

The credibility of the APAB's supervisory activity is only guaranteed if the public can rely on conflicts of interest being avoided and the work of the authority, its executive bodies and employees not being adversely affected by private or personal interests and motives. The APAB has therefore set itself strict compliance regulations, which are applicable to the Board and all the employees of the authority, and extend from the time of joining the APAB to the end of their employment. In respect of the confidential handling of compliancerelevant information, this validity even extends beyond their employment. The compliance regulations cover the manner in which conflicts of interest should be handled, what notification requirements apply to the executive bodies and employees of the APAB, and how impartiality, integrity and independence must be guaranteed. The compliance regulations are publicly available on the APAB website[3]. To ensure adherence to the compliance regulations, the APAB has established the role of compliance officer. The APAB runs annual training courses on the organisation manual and the compliance regulations.

Apart from the compliance regulations, the Board and employees of the APAB are also subject to the statutory provisions on bribery (Section 304 of the Austrian Criminal Code (Strafgesetzbuch – StGB)), acceptance of benefits (Section 305 StGB) and the acceptance of benefits for the exertion of influence (Section 306 StGB) by public officials. These provisions make the proscribed so-called "grooming" – in other words, the granting of an advantage that is not merely negligible – punishable, assuming such advantage is granted in the aim of obtaining the official's favour and thus influencing their activity as a public official. This is the case if the provider of such advantage acts with the goal of influencing the official's future exercise of their duty – even if this is not specifically stated.

In 2023, as in 2022, there were no violations of the compliance regulations or of the statutory provisions mentioned above.

7.4. Protection of whistleblowers

The protection of whistleblowers is crucially important for uncovering grievances, corruption and illegal activities. Whistleblowers are often the first, if not the only, people who know of internal problems and have the courage to mention them, even if this puts them at personal risk.

Their reports enable authorities and organisations to identify and correct potential or actual problems, and thus prevent greater damage to society and the economy.

3 www.apab.gv.at/ueberuns/compliance

For the APAB, as an external reporting point to which information can be given about violations of the regulations that are of relevance to audits, it is extremely important to protect and encourage whistleblowers. Therefore in the past APAB already made several options available to enable information to be provided anonymously. In 2023 the APAB implemented an external platform via which information can be submitted in encrypted form, and which allows for reciprocal communication with anonymous whistleblowers. This enables the APAB to handle this information even more purposefully.

In addition, during quality assurance reviews and inspections the APAB checks whether statutory auditors and audit companies have appropriate procedures in place which enable their employees to anonymously report internal violations of the regulations that are of relevance to audits.

As an authority, we undertake to continuously improve and strengthen the protection of whistleblowers.

We encourage everyone to report grievances if they come across them. The protection of whistleblowers is not only a legal obligation which is codified in the APAG, but also a central element of our efforts to strengthen trust in the audit process. We are firmly committed to our responsibility to ensure that persons acting in the general interest receive the support and protection they deserve.

7.5. Data protection

The lawful handling of data is crucially important for an authority which processes confidential and personal data within the framework of its supervisory activity. Everyone is entitled to the confidentiality of their personal data insofar as a legitimate interest in this exists. Therefore the APAB has established the role of data protection officer.

There has been a common legal framework for data protection since 2018, in the form of the General Data Protection Regulation. In addition, pursuant to Section 17 APAG both the executive bodies and the employees of the APAB are subject to the strict requirements of the duty of confidentiality pursuant to Section 46 Para. 1 to 4 of the Civil Service Act (Beamtendienstrechtsgesetz).

A major component of this data protection is the protection of the authority's information systems and data against criminal activities such as cyberattacks. Therefore, together with its IT services provider (in 2023 this was Bundesrechenzentrum GmbH) the APAB has put in place comprehensive organisational, process-related and technical data security measures to safeguard its information systems and the data that merits protection.

To review the protection measures and identify any weak points, the APAB performs penetration tests at irregular intervals, the latest of which was performed in 2022.

The APAB plans to perform a penetration test again in 2025 at the latest.

The APAB plans for all employees to undergo cyber-security awareness training in 2024.

Additionally, the APAB also bears the responsibility for ensuring that the data protection regulations are complied with when cooperating with national and international authorities. The APAB therefore prepared a data protection agreement between the Federal Minister of Finance and the US auditing supervisory authority, the Public Company Accounting Oversight Board (PCAOB), which was concluded in 2022. In 2023 the APAB undertook a comprehensive legal analysis of whether and under what circumstances information transmissions to other Austrian authorities are possible for the purposes of administrative assistance.

In the reporting year we recorded no complaints or incidents relating to violations of the data worthy of protection of supervised individuals and companies, data leaks or data theft, or the loss of data belonging to the supervised parties.

7.6. Combating money laundering and the financing of terrorism

In order to comply with the Fourth Money Laundering Directive, all the supervised statutory auditors and audit companies must set up a system providing for suitable measures to prevent money laundering and the financing of terrorism (referred to below as "money-laundering prevention measures").

Within the framework of the quality assurance audits performed by the APAB and the inspections of statutory auditors and audit companies, the suitability and effectiveness of their regulations to prevent money laundering and the financing of terrorism are also audited. If shortcomings are identified, the APAB can order measures to rectify these or prevent them occurring in future. Thus through its activities, the APAB makes a contribution to well-functioning money-laundering prevention measures. In 2023 within the framework of its quality assurance audits and inspections the APAB identified 20 shortcomings (2022: 34 shortcomings) of statutory auditors and audit companies in connection with the money-laundering prevention measures.

Pursuant to Section 101 of the Act on Professions in the Field of Public Accounting (WTBG 2017) the power to impose sanctions on statutory auditors and audit companies in relation to compliance with the measures to prevent money laundering and the financing of terrorism lies with the Kammer der Steuerberater:innen und Wirtschaftsprüfer:innen (KSW), which is the mandatory membership organisation for certified public accountants. Therefore pursuant to Section 102 Para. 4 WTBG, the APAB reported the aforementioned violations of the money-laundering provisions to the KSW.

7.7. Cooperation with authorities in third countries

The APAB works together with authorities in third countries with less strong institutions, thus fostering the strengthening of modern and efficient administration structures in the partner authorities. The APAB is a member of IFIAR, the International Forum of Independent Audit Regulators, which provides for the exchange of practical experiences, fostering cooperation and the standardisation of supervisory practice worldwide. The APAB makes a significant contribution to this activity: for example, its Director Peter Hofbauer leads the Investor and Other Stakeholders Working Group (IOSWG), one of the 5 IFIAR working groups.

To strengthen the institutions in third countries, the APAB also works together with the Centre for Financial Reporting Reform (CFRR) of the World Bank. This supports countries in Europe and Central Asia in developing and implementing reforms in connection with financial reporting. In 2023, within the framework of a project by the Centre for Financial Reporting Reform, employees of the APAB supported the Albanian partner authority BMP in sustainably building its capacity. For 2024 the APAB plans to strengthen the training of employees of authorities by means of presentations at training events and CFRR workshops.

Society-related sustainability programme: Measures and goals

Area	SDG	Goal	By	Measure	Status	
Corporate Governance		Ensuring the correctness of the Corporate Governance report	2025	External evaluation of the Corporate Governance report	Being planned	
Protection of whistleblowers		Enabling reciprocal communication with anonymous whistleblowers	2023	Implementation of an external reporting platform which enables anonymous two-way communication	Implemented	
Data protection		Strengthening of employees' awareness of cybersecurity	2024	Mandatory cybersecurity training for all employees	In preparation	
Data protection		Secure data exchange with inspected audit companies	2023	Use of a secure data room for the exchange of confidential information in the context of inspections	Implemented	
Data protection		Review of IT security and identification of any weak points	2025	Conducting a penetration test	Being planned	
Support for capacity-building by authorities in third countries with less strong institutions		Support for authorities in third countries with less strong institutions in developing stakeholder dialogues	2024	Ongoing leadership of the IFIAR "Investor and Other Stakeholders Working Group"	Implemented	
Support for capacity-building by authorities in third countries with less strong institutions		Building the capacities of the Albanian partner authority BMP	2023	Supporting the development of an effective audit supervisory system in Albania by means of a project on the spot by employees of the APAB with financial assistance from the World Bank	Implemented	
Support for capacity-building by authorities in third countries with less strong institutions		Support for building the knowledge of regulators in third countries with less strong institutions	2024	Giving presentations at workshops and training courses by the World Bank for regulators from Southern Europe and Central Asia	In preparation	

Table 10: Society-related sustainability programme

8. Index of contents

Details from the Basic Module

VSME ESRS ED metric/disclosure numbers	Description	Reference to pages in this report	Reference to VSME ESRS ED points	Comments
B 1	Reporting model used	7	Point 21(a)	
B 1	Whether the report has been prepared on a consolidated basis	n/a	Point 21(b)	The APAB does not hold any participations.
B 2	Practices for transitioning towards a more sustainable economy	6, 12, 14, 19	Point 22	
B 3	Energy consumption	Table 3: The APAB's total energy consumption 11	Point 24	
B 3	Greenhouse gas emissions	11	Point 25	
B 4	Pollution of air, water and soil	n/a	Point 26	Not applicable to the APAB
B 5	Biodiversity	n/a	Point 27–29	Not applicable to the APAB
B 6	Water	n/a	Point 30–31	Not applicable to the APAB
B 7	Resource use and circular economy	n/a	Point 32–33	Not applicable to the APAB
B 8	Statistics on own workforce	12	Point 34	
B 9	Health and safety of own workforce	14	Point 35	
B 10	Information on minimum wage	n/a	Point 36(a)	There are no applicable minimum wage provisions
B 10	Gender-specific wage difference	13	Point 36(b)	
B 10	Employees covered by collective agreements	13	Point 36(c)	
B 10	Training hours by gender	Table 7: Training hours by gender 13	Point 36(d)	
B 11	Workers in the value chain	n/a	Point 37	Voluntary disclosure, not relevant for the APAB
B 12	Convictions for corruption and bribery	16	Point 38	

Voluntary information from the VSME ESRS ED Narrative-PAT Module and the Business Partners Module

VSME ESRS ED metric/disclosure numbers	Description	Page reference in this report	Reference to VSME ESRS ED points	Comments
N 2	Material sustainability matters	8	Point 59(a)	
N 3	Activities in relation to sustainability matters	12, 14, 19	Point 60(c)	
N 3	Activities in relation to corruption prevention	16	Point 64	
N 4	Key stakeholders of the APAB	9	Point 65	
N 5	Responsibilities in relation to sustainability matters	5	Point 66	
BP 2	Gender diversity ratio	12	Point 75	
BP 10	Work-life balance	13	Point 84	

LEGAL INFORMATION
Publisher: Abschlussprüferaufsichtsbehörde (APAB)
A-1040 Vienna, Brucknerstraße 8/6
T: +43 1/503 12 18, F: +43 1/503 12 18-99
Email: behoerde@apab.gv.at
Internet: www.apab.gv.at

Changes, printing and typesetting errors, and other errors excepted.

This report on the activity of the APAB is for the purpose of public information. Rights and duties extending beyond the statutory provisions cannot be derived from this publication.

Copyright of pictures: depositphotos | IzelPhotography (cover), artjazz (P. 4), Rawpixel (P. 13), stillfx (P. 17)