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ANNUAL REPORT 2025

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on the Supreme Audit Office)

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President of the Supreme Audit Office

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INTERACTIVE ANNEX

OPENING MESSAGE FROM THE SAO PRESIDENT

Dear readers,

As always, our Annual Report is packed with findings from the 32 audits completed by the Supreme Audit Office in 2025. We audited state assets and funds totalling more than 96 billion Czech crowns across 142 audited entities.

But this time, I do not want to focus on the identified shortcomings. You will find them described in detail and set within their context on the following pages. In this foreword, I would like to focus on how much these errors are costing us – not only at the time the audit was completed, but above all in the future.

In the first chapter, which provides an overall summary of the Annual Report, we discuss an economic paradox. Measures intended to make public administration cheaper and more efficient are, in fact, making the same administrative tasks even more expensive and bringing additional costs. And this is both in terms of finance, personnel and organisation. Let me illustrate this point with one specific example: the e-Legislation (*eLegislativa*) and e-Collection (*eSbírka*) projects for the digitalisation of legislation. What was originally supposed to take three years has stretched to nine, and the budget has almost doubled – rising from 482 million to over 900 million Czech crowns. Despite these expenses, e-Legislation had not been completed, and at the time our audit concluded, new pieces of legislation were still being entered into the system manually. It cost twice as much as the state had previously paid for the paper editions.

This is just one example among many. Instead of getting bogged down in details, I would like to direct your attention to what is missing from the audit reports, even though, in my view, it is the most essential part of the audit – its *raison d'être*. It is the reactions of the audited institutions to our findings. They are not difficult to describe because they are like carbon copies of each other, so to speak.

In the immediate aftermath of the publication of our audit results, the response is one of disagreement, disputing the shortcomings we identified, downplaying or trivialising them, or even questioning our expertise and understanding of the subject matter. We are accused publicly – as well as during the discussion of our audit reports by the government – of undermining citizens' trust in the state, of bias, of failing to understand the complexity of the issues involved, and even of having selected an inappropriate audit sample. Let me illustrate this with one example described in the Annual Report.

The objective of introducing the checkweighing system on Czech motorways and class I roads was to drive overloaded freight transport off our roads. Yet the system that was put in place is failing completely to achieve this goal. The scales are, for the most part, not operational, and even when they are, the detected violations often cannot be referred to municipal authorities for further proceedings. And even when they are referred, fines are imposed only in a small fraction of cases, despite the fact that it is precisely overloaded lorries that are damaging Czech roads. And how did the Ministry of Transport respond? It plans to purchase additional high-speed weighbridges. The icing on the cake, however, was the abolition of penalties for axle overloading, through which the Ministry reduced the number of recorded offences by 98%. Only on paper, of course, the reality on the roads themselves remains the same.

The true impact of the SAO's audits depends primarily on how the audited institutions work with its findings. An audit should help decision-makers adopt informed and evidence-based decisions. It is an opportunity for systemic and well-considered changes that reduce future costs associated with the identified shortcomings. It is also an opportunity to learn from one's own mistakes, rather than merely ticking off corrective measures as a formal exercise.

Economic theory describes a range of mechanisms through which administrators of public finances turn a blind eye to uneconomical use of funds. The sunk cost fallacy, after all, is a cognitive bias that affects not only those managing multi-billion budgets ("we have already invested so much in this that we must continue"), but occasionally every one of us ("I'm going to that concert since I already paid for the ticket").



It takes enormous courage to stop a project that has already cost billions and has been in preparation for years. Political reputation is at stake and, in many cases, even the risk of liability for failing to act in accordance with the principles of a sound financial manager.

But we cannot afford to maintain systems built on illusion. Such systems function only as long as there are resources to waste. In our Annual Report, we mention the growing public debt of the Czech Republic. Since 2021, the costs of servicing the national debt have doubled, and the Czech Republic unfortunately ranks among the European countries with the fastest pace of debt accumulation. At the level of the European Union budget, the situation is not much better. It is politically easier to finance unnecessary projects lacking multiplication effects and added value than to admit that the system of European subsidies has distorted both the market and the mindset of Europeans. We are heading towards a situation in which every remote valley will have a smart bench with Wi-Fi, yet you will not be able to reach it because the road to it has fallen apart. Maintenance of that road, after all, is not eligible for subsidies.

People can see that there is a substantial difference between the services provided by the state and those provided by private companies. In itself, this shows that there is much from which we can draw inspiration. I hope that we will find within ourselves the courage, the capability, and the determination to break out of this vicious circle. Our audits can be valuable instruments in helping us to do so.

Miloslav KALA
SAO President

I. SAO STATUS AND POWERS

1. BASIC INFORMATION ON THE STATUS AND POWERS OF THE SAO

The existence of the Supreme Audit Office (SAO) is rooted directly in the Constitution of the Czech Republic, which guarantees its independence from the legislative, executive and judicial powers. The SAO thus represents one of the indispensable elements of parliamentary democracy.

More detailed rules on the status, powers, organisational structure and work of the SAO are contained in Act No 166/1993 Coll., on the Supreme Audit Office (SAO Act). Under this Act, the SAO mainly scrutinises the management of state property and finances collected by law in favour of legal persons, the implementation of revenue and expenditure items of the state budget and the management of funds provided to the Czech Republic from abroad.

The SAO's statutory bodies are the President and Vice-President, the Board, senates and the Disciplinary Chamber. In the interest of ensuring objectivity in the assessment of audit findings and in fundamental matters concerning the SAO's audit powers, the SAO Board and senates decide as collective bodies.

The SAO's independence guarantees that it is not influenced by legislative, executive or judicial powers in the planning, preparation and implementation of audit activities. Besides institutional independence, the SAO has appropriate financial autonomy as well. The decisive body in this area is the Chamber of Deputies, which approves the state budget, including the Supreme Audit Office budget chapter.

The basis for the SAO's audit work is the SAO's audit plan. After it is approved by the SAO Board, the audit plan is submitted by the SAO President to the Parliament of the Czech Republic and the Government of the Czech Republic for information and published in the SAO Bulletin. Audit results are presented in audit reports, which summarise and assess audit findings. Audit reports are approved by the SAO Board or the appropriate SAO senates.

Under its defined powers the SAO performs audits in line with its audit standards, which are based on the international standards of Supreme Audit Institutions. The SAO carries out compliance audits, which include legality and financial audits, as well as performance audits.

The SAO's compliance audits examine whether the audited activities comply with the law and review the substantial and formal correctness of the audited activities to the extent necessary for achieving the audit goals.

The SAO's financial audits examine whether the audited entities' financial statements give a true and fair view of the subject of the accounting in accordance with legal regulations and whether the financial statements on the implementation of the budget are free from significant errors. This type of audit is a tool for verifying the accuracy of information which is presented in the closing accounts of state budget chapters and which the SAO uses when formulating its opinions on the Draft State Closing Account.

The SAO's performance audits assess the effectiveness, efficiency and economy of the use of state budget finances, state property or other finances which the SAO audits in line with its powers.

2. SAO BOARD

The SAO Board is composed of the President, the Vice-President and Members of the SAO. The SAO Board approves the audit plan, audit reports, the draft budget of the SAO submitted to the Chamber of Deputies of the Parliament of the Czech Republic, budget amendments and budget measures, the closing account of the SAO budget chapter and the SAO financial statements prepared as at the balance-sheet date. The SAO Board also approves the Annual Report, the SAO Board's and senates' rules of procedure, the organisational rules and changes thereto and the disciplinary rules. It decides on appeals against decisions on objections to audit protocols and on objections claiming bias if raised by an audited entity against a Member of the SAO.



Members of the SAO perform audits, manage audit activities and prepare audit reports according to the audit plan; they participate in the activities of the SAO senates and the SAO Board. They manage audits from the authorisation to perform the audit to the approval of the audit reports.¹

1

The individual audits are identified in the Annual Report by the numbers set out in the audit plan for the given year. The texts of the audit reports published in 2025 can be found in the individual volumes of the *SAO Bulletin* or in the electronic version of the Annual Report – click on the relevant audit number marked in blue.

Table 1: Overview of audits conducted in 2025

Name of the SAO Member	Member since	Number of audits managed up to the end of 2025	Overview of audits managed by SAO Members in 2025	
			Completed	Not Completed
Ing. Adolf Beznoska	14 March 2017	21	24/13 24/33*	25/13 25/24
Ing. Pavel Hrnčič	11 Dec 2009	36	24/16 24/21	25/06
JUDr. Ing. Jiří Kalivoda	17 Sept 1993	83	24/05 24/31*	25/23 25/26
Ing. Jan Kinšt	25 Jan 2018	20	24/10 24/11	25/04 25/27
RNDr. Vladimír Koniček	4 Dec 2018	13	24/09 24/30*	25/03 25/18
Ing. Stanislav Koucký	8 Oct 2020	10	24/04 24/28*	25/22 25/25
Ing. Josef Kubíček	10 June 2014	28	24/07 24/14 24/26* 24/29* 25/01	–
RNDr. Petr Neuvirt	21 Dec 2010	50	24/06 24/12 24/17 24/24**	25/08 25/11
Ing. Daniel Reisiegel, MPA	30 Apr 2010	39	24/19 24/23	25/17 25/21
Ing. Radek Rychnovský	20 Sept 2023	5	24/27	25/05 25/15 25/30
Mgr. Roman Sklenák	17 Sept 2021	8	24/18 24/32	25/07 25/14 25/19
Ing. Ladislava Slancová, MPA, LL.M.	26 Sept 2024	2	–	25/12 25/28
Ing. Jan Stárek	4 June 2015	22	24/08 24/25	–
Ing. Jaromíra Steidlová	16 Nov 2006	42	24/20 24/22*	25/16 25/20
Ing. Michal Šmucr	10 June 2020	13	24/15 25/02*	25/09 25/10

Pozn.:

Ing. Jan Stárek – term of office until 6 November 2025.

Ing. Josef Kubíček – term of office until 15 December 2025.

* The audit report was approved in 2025 but published in 2026.

** The audit report was approved in 2025 but has not yet been published (we are waiting for the approval of the law enforcement authorities).

3. SAO MANAGEMENT

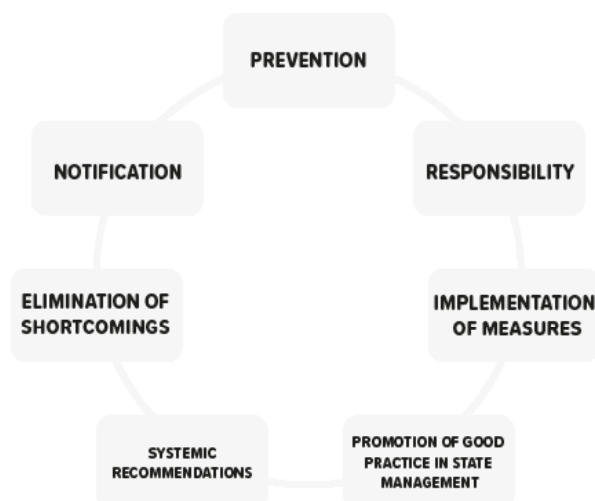
The SAO management consists of employees directly subordinate to the SAO President. These are the Senior Director of the Audit Section, the Senior Director of the Administrative Section, the Director of the President's Office, the Board Secretary, the Director of the Security Department and the Director of the Internal Audit Department.



4. MISSION AND BENEFITS OF THE SAO'S WORK

The SAO's strategic mission is to provide objective information on the state's management of public funds. Results in the form of audit reports, opinions on the implementation of the state budget, opinions on the state closing accounts and other outputs of the SAO's work provide important feedback on the legality, effectiveness, economy and efficiency of the use of public funds and state property, and in this way contribute to the promotion of good practice. Independent and objective feedback is essential for the functioning of the Czech state. This information is important for parliament and government, which are the SAO's key partners, as well as for the general public.

The SAO has a solid footing for its work as a result of its independence from the legislative, executive and judicial authorities and, above all, because of its long-standing status as a reliable, professional and trustworthy partner and information provider. It is the SAO's ambition that its objective, targeted and comprehensible conclusions and recommendations should not remain merely a statement of the observed state of affairs but should lead to the correction of shortcomings and to a positive shift in the management of public funds and assets and the promotion of good management practice.



The most important impacts of the SAO's work include positive pressure exerted on the appropriate authorities to eliminate identified shortcomings and implement systemic corrective measures. Audits also have a crucial preventive effect on other entities, encouraging them to avoid management and control errors and strengthen the accountability of public administration and the enforceability of the law in general. That is linked to the results of the SAO's work in the field of assessing the working of legislation and making legislative recommendations. Last but not least, although this is not the main objective of the audit, the SAO has a more significant effect in terms of compliance with the reporting obligation in relation to breaches of budgetary discipline and criminal liability.

The key data on the SAO's activities in 2025, which are set out in the following section of this Annual Report, as well as the numerous findings presented in its other sections, are clear and comprehensible evidence of the SAO's results and contribution.

5. AUDIT PLAN FOR 2025

The SAO audit plan for 2025 was the fundamental document defining the focus and timing of audits last year. When compiling the plan, the SAO, in accordance with its strategy, focused mainly on those areas and issues that are important in terms of the functioning of government policies in various areas of citizens' lives, the efficiency of state administration, and the Czech Republic's competitiveness by international comparison.

In order to improve the efficiency of its audit activities, the SAO took an analytical and risk-oriented approach with the aim of identifying risks in the areas of state management in terms of failure to respect effectiveness, economy and efficiency or to comply with the law. The goal is for audit results to help promote good practice in the state's financial management and bring about improvements in areas where the SAO sees shortcomings.

Key areas targeted by the SAO's audit plan include in particular:

- value added tax administration with a focus on cross-border e-commerce;
- funds to support evaluation and management of the regional education system;
- administration of the state's equity holdings;
- funds for the support of local roads renewal;
- funds spent on the implementation of European train protection equipment;
- funds for flood protection and water retention in the landscape;
- funds for strengthening resilience of the healthcare provider backbone network;
- funds for the support of climate change adaptation measures in rainwater management;
- funds for the preparation of construction of fast railway connections;
- funds for Helicopter Aviation of the Czech Armed Forces;
- funds for development of clean mobility;
- funds for Czech Police Aviation Department;
- funds for research and development in the health sector;
- funds for transforming the disability care system;
- funds to support startups;
- funds for the Area Monitoring System under EU's Common Agricultural Policy;
- reliability of the financial management data underpinning institutions' accounts relating to the management of state.

The audits included in the 2025 audit plan were based on suggestions arising from the SAO's own monitoring and analytical activities.

The Audit Plan for 2025 was adopted by the SAO Board at its meeting on 14 October 2024. A total of 30 audits were approved. During 2025, one audit was cancelled, making a total of **29 audits**.

An overview of the audits included in the 2025 plan and their subject matter and timing is provided in Annex 1 to this Annual Report. The audits were begun over the course of 2025 in accordance with the timetable. Depending on the start date and duration of the audit, the completion dates, i.e. the day on which audit reports are approved, were planned for 2025 and 2026.

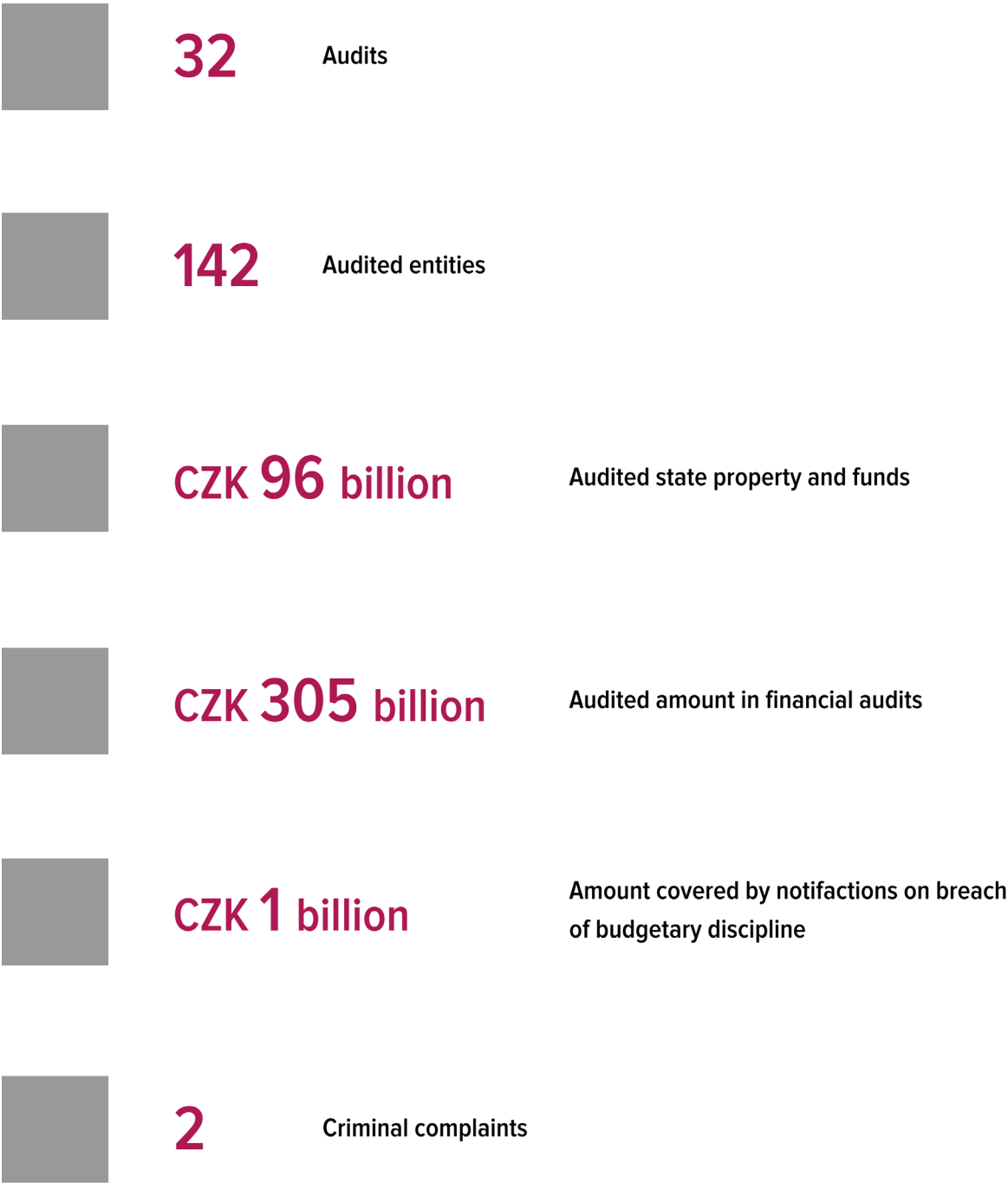
II. ASSESSMENT OF AUDIT AND ANALYSIS ACTIVITY IN 2025

1. OPENING SUMMARY

The assessment of the SAO's activities is based on the results of the audits that were completed in 2025 when the audit report was approved by the SAO Board. Findings from the SAO's opinions on the Draft State Closing Account for 2024 and on the report on economic development and the implementation of the state budget of the Czech Republic for the first half of 2025, information from other SAO reports, as well as other findings from the SAO's analysis work were also used.

The assessment is based on the results of a total of **32 audits**, of which 30 audits were initiated according to the audit plan in 2024 and two audits in 2025. Their overview is shown in Annex 2 of this Annual Report. The SAO fulfilled its mandate in the areas of its competence according to the provisions of Section 3, Articles 1 and 3 of the SAO Act. The audits were focused mainly on the period of 2019–2023.

The SAO in 2025



DOES SPENDING BILLIONS ON DIGITALISATION LEAD TO A USER-FRIENDLY AND EFFICIENT PUBLIC ADMINISTRATION?

The state has failed to transform public administration into a modern, user-friendly digital service. This is despite the fact that state organisations have spent more than **CZK 110 billion** on digitalisation over the last five years. The year 2025 was supposed to represent a turning point. Citizens should have been able to communicate with the state electronically, and the vast majority of government services should have been available online. The reality, however, is quite different – only **18%** of the government's administrative services have been fully digitalised. Fundamental problems with access to digitalisation persist. The state often merely digitalises existing processes without first considering how to simplify and adapt them. At the same time, government institutions are developing information systems, but they often fail to take into account the needs of both citizens and public authorities. This results in the creation of disjointed and inconsistent systems that fail to meet expectations and lead to stopgap solutions. This significantly increases not only costs but also the administrative burden.

The SAO's findings point to shortcomings in the very concept of digitalisation. The responsible bodies still often view this primarily as the technical implementation of information systems, rather than as a broader transformation of management, processes and data handling. Poor cooperation, a lack of assessment of the benefits, and limited accountability for results have meant that the funds spent on digitalisation have failed to make government services cheaper, faster or simpler.

The legislation digitalisation project: poor management, delays and cost overruns. And finally, the missing benefits.

The Ministry of the Interior has extended the deadline for completion of the e-Collection and e-Legislation project by seven years and doubled its budget to almost one billion crowns. However, the project has neither simplified nor streamlined

access to legislation. Users were supposed to have access to the laws online, always in their most up-to-date version. Yet, for a certain period of time, the e-Collection displayed outdated versions of the laws without alerting users to this fact. As a result, citizens could not rely on information from this source.

The SAO audit also revealed that the repeated delays and budget increases were partly due to the circumvention of rules and the Ministry of the Interior's failure to supervise the project. The Ministry attributed the delays to "force majeure", citing amendments to legislation which it had, however, drafted itself in response to its failure to complete the project by the original deadline.

The dysfunctional part of e-Legislation also creates an unnecessary economic paradox. Because the state is still unable to draft legislation directly in digital form, it has to enter new laws into the system manually. In 2023 alone, this procedure cost **CZK 23.5 million**. That is more than double what the state used to pay for the printed versions.

Digitalisation of visa and passport services: Twenty-two times higher costs, manual data transcription and sending paper applications by courier

The Ministry of Foreign Affairs and the Ministry of the Interior have not succeeded in transforming the information support for visa and consular services into a functional and fully digital format. Between 2016 and 2025, the two ministries spent a total of **683 million crowns** on this programme.

The processing of applications for long-stay visas illustrates how digitalisation has worked in practice. After submitting an application, a ministry employee had to photocopy paper documents and repeatedly enter the same data into several different systems that did not communicate with one another. Furthermore, foreign authorities sent applications from abroad to the Ministry of the Interior in paper form via commercial couriers.

Another example of a failed digitalisation project is the transition to an information system for travel documents. The Ministry of Foreign Affairs was

unable to roll out the new system at its diplomatic missions in time and therefore had to run two systems in parallel for a certain period. This has made everything significantly more expensive – the annual cost of IT support for travel documents between 2022 and 2024 rose from **CZK 1.2 million** to **CZK 25.9 million**, i.e. almost twenty-two times. But the administration of travel documents has not changed in any way, either in terms of substance or in terms of scope.

Online applications to the Labour Office of the Czech Republic have simplified the submission process, but not the processing of applications

The digitalisation of selected services provided by the Labour Office was intended to streamline the office's day-to-day work and make it more convenient for the citizens. These changes have made it easier to apply for social security benefits online, but they have not made the actual processing of these applications any easier for the office staff. In 2024, the average processing time from the receipt of an application for state social support benefits to the issuance of a decision was longer for online applications than for applications submitted in person at Labour Office branches. Moreover, online submissions had a higher error rate than paper-based applications, which necessitated additional checks and corrections. Digitalisation has thus not succeeded in streamlining the administration of social security benefits.

IS THE STATE ABLE TO MANAGE AND DEVELOP THE EXISTING ROAD INFRASTRUCTURE?

According to the Road and Motorway Directorate (RMD), 301 kilometres of motorways and Class I roads were opened to traffic between 2020 and 2024 at a cost of almost CZK 110 billion. However, the state must maintain this newly built transport infrastructure to prevent it from falling into disrepair and to ensure road safety. Although these are costly investments, the SAO's audits indicate that the state has not put in place effective measures to ensure safety and mitigate the damage caused by overloaded and increasing freight traffic. The checkweighing system failed to meet these objectives, and the insufficient development of rest areas had further negative impact on road safety. The seriousness of the problem is further highlighted by the fact that, between 2019 and 2023, the state spent an average of CZK 15 billion a year on repairs of motorways and Class I roads. Further damage to property, and especially to the health of citizens, is incalculable.

The state has long been unable to achieve a significant improvement in road safety and traffic flow, despite having access to sufficient data and information on traffic conditions and the functioning of transport infrastructure. The audits revealed that measures intended to improve road traffic and road safety were implemented only partially, with significant delays, or not implemented at all.

Although the volume of freight transport is growing rapidly, there is a lack of facilities for drivers to rest. This poses a threat to safety on Czech motorways

Between 2015 and the end of 2024, lorry traffic on motorways in the Czech Republic increased by 35%. However, the capacity of motorway rest areas does not keep pace with this development, and the state is struggling to build them. It did not build a single one of the 18 priority rest areas. New parking spaces were to be created at both new and existing rest areas. The Ministry of Transport was supposed to have built 1,500 parking spaces by 2023, but in reality only 407 were

built on the existing network. In total, there was still a shortfall of almost 1,900 parking spaces at the end of 2024. This also threatens road safety, as drivers are forced to choose between failing to take their mandatory breaks and parking in unsuitable and risky locations.

Another problem is the unfavourable lease agreements from the 1990s, which were often executed for half a century and contain no inflation clauses. Their real returns are lower today than they were when the agreements were signed, meaning that the state has lost approximately **CZK 471 million** by 2024. At the same time, the Road and Motorway Directorate is not making use of the option to amend or terminate these agreements, even though the new agreements offer rent that is up to 28 times higher. The situation is further complicated by incomplete property records. A lack of documentation leads to a number of inaccuracies, such as privately owned land being designated as public rest areas. Furthermore, the Road and Motorway Directorate does not systematically monitor tenants' compliance with their contractual obligations and, in some cases, invests in repairs to property it does not even own.

Checkweighing systems do not improve safety or protect transport infrastructure. Overloaded lorries continue to damage Czech motorways

The checkweighing system has failed in its primary purpose – to deter carriers from driving overloaded lorries. The overloaded vehicles continued to travel on the road network without any systematic or effective enforcement measures being taken when weight limits were exceeded. The inability not only to impose fines but also to enforce them significantly undermined both the preventive and punitive functions of the checkweighing system. Between 2019 and 2024, the state spent **CZK 112 million** on the purchase and operation of high-speed weighbridges.

On average, these systems were out of service for more than 60% of the time, and the actual penalties amounted to only a few percentage points. Since 2020, these facilities have recorded almost 496 thousand offences, the majority of them not having been enforced at all. For example, on the D1 motorway in May 2024, only 2.6% of cases were actually enforced.

The Ministry of Transport's response was largely of a formal nature. The Ministry has abolished penalties for axle overload and now only allows fines to be imposed for exceeding the vehicle's gross weight. This formally reduced the number of offences by as much as 98%. But it did not solve the problem. These changes merely reduce the number of violations detected, not the damage caused to the roads. Overloaded axles cause the most damage.

IS THE STATE'S ABILITY TO DEAL WITH SECURITY THREATS IMPROVING?

The Czech Republic continues to rank among the safest countries in the world. However, that in itself does not mean that it is sufficiently prepared for new types of threats. The deteriorating geopolitical situation, the war in Ukraine, cyber-attacks, hybrid activities by foreign states, terrorism, extremism and other current security threats require the state to significantly strengthen its capacity to counter these threats. The state's response has so far focused primarily on a significant increase in funding. Between 2022 and 2025, expenditure by the MoD and the Mol rose by more than CZK 82 billion. However, audits show that simply increasing spending is not enough. Despite the increase in funding, in many areas the state has failed to strengthen its resilience or respond effectively to new threats.

One of the main challenges facing national defence is the shortage of personnel in the armed forces and the lack of adequate training. Although the number of soldiers is rising slightly, the Czech Armed Forces (CAF) have long struggled to meet their recruitment targets. In recent years, however, the state has launched costly modernisation projects and is acquiring new advanced equipment, which can only be operated by well-trained military personnel. At the same time, the state's ability to counter internal security threats remains limited. Soft targets protection currently relies mainly on ad hoc measures that do not form a comprehensive system.

Army training is lagging behind. Without well-trained personnel, operating new equipment will be a problem

The CAF's training facilities have long failed to meet current needs, which limits both the quality of personnel training and the ability to cooperate with allies. Between 2019 and 2024, the Ministry of Defence invested nearly **CZK 1.8 billion** in modernising the training infrastructure, yet the problems remain unresolved.

A lack of strategic management, frequent changes in priorities and postponements of investments have led to delays in modernisation and additional costs associated with operating outdated equipment. The army has insufficient number of modern simulators and training equipment, and has not even managed to complete their integration with NATO training centres. This limits the effectiveness of training and joint exercises with allied countries. For example, the CAF still lack their own suitable facilities for driver training and is therefore reliant on civilian driving schools. Some training facilities are used only to a limited extent, while others have long been overused. There is also no central overview of training results, which prevents the army from managing it effectively. Furthermore, in the event of a significant increase in recruitment, there is a risk that training facilities will lack sufficient capacity.

Even after eight years, the Ministry of the Interior still has not established a working national system for the protection of soft targets

The Ministry of the Interior has failed to establish a functional national system for the protection of soft targets and has also failed in its role as coordinator by failing to ensure a consistent approach among other ministries. After 2021, work on strengthening the soft targets protection came to a complete halt. The Ministry only began to prepare further steps following the tragic events at the Faculty of Arts of Charles University in December 2023. It was only then that the ministries stepped up their efforts, increased funding for school security and began to implement specific measures.

The importance of this issue is also confirmed by the results of the SAO's questionnaire survey. The findings revealed that one in four of the primary and secondary schools surveyed had experienced a security incident, as had the majority of universities and healthcare facilities.

The audit report from Audit No 24/27, focusing on air defence, was drawn up as a classified document.

The SAO recommends that all authorised persons and bodies take note of the audit findings and familiarise themselves thoroughly with the SAO audit report.

IS INNOVATION STRATEGY 2019–2030 BEING SUCCESSFULLY IMPLEMENTED?

The state has set an ambitious goal in the field of innovation: to rank among Europe's Innovation Leaders by 2030, according to the European Innovation Scoreboard. This assumes a measurable shift in the practical application of research findings, in the level of collaboration between basic and applied research, in the exercise of patent protection, and in the involvement of the private sector in research and innovation activities. However, the SAO audits show that the support provided for innovation to date has not yielded the expected results. The Innovation Scoreboard itself also confirms that the Czech Republic has long remained below the EU average and is still a long way from becoming an Innovation Leader.

The system of public support for research, development and innovation is structured in such a way that it focuses primarily on the formal fulfilment of project objectives, rather than on achieving tangible benefits. There remains a lack of coordination between those involved in basic and applied research, and there is no clear definition of who is responsible for putting the results into practice. All of this is a major obstacle to the Czech Republic becoming a more innovation-driven country.

The number of new patents is falling, and there are few authors cited in international scientific literature. Publicly funded research is not yielding sufficient results

Although the state provided nearly **CZK 30 billion** in funding for research, development and innovation between 2021 and 2023 through the Czech Science Foundation and the Technology Agency of the CR, the results of publicly funded research do not reflect this level of investment. The number of patents granted has been declining for a long time; while 113 were granted in 2019, by 2023 the figure had dropped to just 65. Although the citation rate of basic research funded from public resources has increased slightly, it still does not reach even half the European average. Moreover, support for basic research is often not directed towards strategic areas and

does not sufficiently contribute to addressing major economic and societal challenges.

A negative trend is also evident in cooperation with the business sector. The level of private-sector financial participation in publicly funded research declined from 32% in 2017 to 23% in 2023. The system of public support is therefore not sufficiently motivating for the private sector, including in terms of putting research results into practical use.

The unfavourable situation is also influenced by insufficient cooperation between the Czech Science Foundation, which is responsible for basic research, and the Technology Agency of the Czech Republic, which focuses on applied research. A problem that the SAO had already pointed to in the past. The lack of connection between basic and applied research limits the transfer of research outcomes into practice and reduces the innovative impact of the funds expended.

Only one in three projects under the TRANSPORT 2020+ programme produced results that were actually put into practice

The TRANSPORT 2020+ programme (*Doprava 2020+ in Czech*) was designed to support applied research, experimental development, and innovation in the field of transport, with the aim of fostering modern solutions and their practical implementation. Beneficiaries drew more than **CZK 1.7 billion** in support. Based on its audit sample, the SAO found that half of the projects were not fully effective, primarily due to the limited real-world use of the results achieved.

The Ministry of Transport also failed in its role as the implementation guarantor by not contributing to the practical deployment of the results. One example is the project for a *Central Digital Registry of Road Closures*. The beneficiary received support amounting to nearly **CZK 16 million** and, within the prescribed deadline, delivered three software applications, a methodology, and one functional prototype. The Technology Agency of the Czech Republic stated that the project had achieved excellent results. Yet despite the fact that the Ministry of Transport had been involved in the project from the outset as the implemen-

tation guarantor, it ultimately never initiated the process of putting the results into practice. Instead, at the time of the SAO's audit, the Ministry had commissioned the preparation of a different information system for processing the digital registry of road closures.

HAS THE CZECH REPUBLIC MANAGED TO STABILISE ITS PUBLIC FINANCES AND SLOW THE RATE OF DEBT ACCUMULATION?

Even in 2025, the Czech Republic failed to fundamentally stabilise its public finances. Although state budget revenues increased and the economy showed signs of recovery, expenditures grew even faster and the planned budget deficit was significantly exceeded. Government debt continued to rise, approaching CZK 3.7 trillion. At the same time, the persistently high share of mandatory expenditures continued to limit the state's ability to respond flexibly to new challenges and to build fiscal reserves, thereby increasing the long-term vulnerability of public finances and reducing the country's resilience to future crises.

For Czech public finances, 2025 was a year of continued economic recovery, building on the pre-crisis period. GDP grew by 2.5%, approaching the long-term growth potential of the Czech economy. Household consumption was the principal driver of economic growth, complemented by gross capital formation and government expenditure.

Positive developments included average inflation of 2.3% – the lowest level in the last seven years – as well as continued stability in the labour market. With an unemployment rate of 2.8%, the Czech Republic maintained the lowest unemployment in the European Union. Nevertheless, the state failed to take advantage of these favourable economic conditions to stabilise public finances.

Public debt continues to rise. In 2025, the state budget deficit reached CZK 291 billion

The state budget continued to struggle with a high deficit. The final deficit amounted to **CZK 290.7 billion**, which was higher than the previous year. Although the deficit adjusted for European Union funds and other foreign resources improved year on year by **CZK 39 billion**, the adjusted deficit would still have amounted to **CZK 249.9 billion**. In both cases, the approved state budget deficit was exceeded.

State budget revenues increased year-on-year by 5.9%, primarily due to higher proceeds from corporate and personal income taxes, value-added tax, and social security contributions. The positive effects of the fiscal consolidation package, changes to the tax revenue allocation system, and other legislative amendments were reflected in these figures.

Budget expenditures grew by 6%, while for the first time since 2015 the share of capital expenditures exceeded 10%. The largest portion of these expenditures was directed towards transport and healthcare. The high share of mandatory and quasi-mandatory expenditures – amounting to as much as 86.3% of total revenues – significantly limits the room for active fiscal policy. A substantial part of these expenditures consists of salaries for state employees, whose number increased by nearly 1,900 in 2025, particularly in the education sector.

The state paid as much as CZK 98 billion last year merely to service the government debt. With further borrowing, these costs will continue to rise

Government debt continued to increase and reached **CZK 3,678 billion** at the end of the year, equivalent to 43.2% of GDP. Although the Czech Republic still ranks among the less indebted countries in the European Union, the pace of debt accumulation represents a significant risk to the stability of public finances, particularly in light of the rising costs of debt servicing, which have nearly doubled since 2021.

Developments in 2025 therefore confirmed both the continuing economic recovery and the stronger growth in state budget revenues. At the same time, however, they highlighted the persistent structural problems of public finances, especially the limited ability to influence the expenditure side of the budget, the lack of fiscal reserves, and the growing debt.

WHERE AND WHY IS THE STATE LOSING TAX REVENUE?

Public finances are threatened by systemic shortcomings in the way the state operates that have been tolerated for years. One of these is the state's ability to collect revenues effectively and thus secure sufficient resources to cover rising expenditures. Audits have shown that the state loses tens of billions of Czech crowns every year through uncollected taxes, despite being fully aware of the problem. The weaknesses in revenue collection therefore do not stem from the absence of rules, but rather from their inconsistent enforcement in practice.

A common feature of the SAO's audit findings from last year is the state's limited ability to translate identified breaches of obligations into the effective collection of taxes and levies. The problem lies in insufficient information-sharing between institutions, poorly defined responsibilities, and incomplete or unreliable data. This results in persistent revenue shortfalls that place an additional burden on public finances.

SAO estimates: the state lost nearly CZK 92 billion in unpaid levies from illegal employment between 2019 and 2022 alone

The SAO repeatedly pointed out that the state is unable to combat illegal employment effectively. Public authorities failed to share necessary information in a timely manner, while tax administration audits produced only a minimal fiscal effect. Tax inspections launched on the basis of referrals from public authorities generated a total of only around CZK 1 million over a three-year period, whereas the SAO estimated the losses incurred between 2019 and 2022 at nearly CZK 92 billion. Serious systemic shortcomings prevented the additional assessment and collection of taxes and social contributions from employers making use of illegal labour.

The audit further revealed that gaps in legislation and unclear institutional competences resulted in the state failing to reclaim unlawfully paid public health insurance contributions for persons work-

ing illegally. In many cases, the authorities did not even know how many such cases existed. The Ministry of Finance did not analyse the impact of these overpayments on the state budget and failed to verify the correctness of payments made for state-insured persons. As a result, public revenues were lost in two ways simultaneously: through uncollected levies from employers and through unresolved overpayments of insurance contributions.

The European Union may be losing as much as EUR 10 billion annually in tax revenues from e-commerce and the Czech Republic is losing money too

Although European rules governing VAT collection for cross-border e-commerce entered into force as early as 2021, in practice they have failed to deliver the expected effect. Czech authorities did not have access to complete and reliable data from EU systems, which significantly limited their ability to verify whether taxes were being paid correctly. At the same time, the volume of small consignments imported from third countries increased sharply. In 2024 alone, 4.6 billion parcels were imported, 91% of them coming from China. This development substantially increased the risk of tax evasion amounting to billions of euros, while existing control mechanisms proved incapable of responding adequately.

A particularly serious problem was the systematic undervaluation of consignments worth less than **EUR 150**. Although customs authorities detected undervaluation in 61% of the inspected shipments, the inspection sample was negligible in relation to the total volume of transported parcels. Moreover, the system was not configured in a way that would allow for the long-term effective collection of VAT or a flexible response to potentially fraudulent conduct. The overall estimate of tax evasion in the field of e-commerce across the EU amounts to as much as **EUR 10 billion** annually, meaning that the Czech state budget is also losing part of these resources.

FROM FINDINGS TO CHANGE: HOW THE STATE RESPONDS TO AUDITS?

An audit conducted by the SAO is a tool whose primary purpose is to improve the functioning of public administration. It is not meant to be a one-off intervention, but rather an impetus for long-term change intended to help institutions make informed and evidence-based decisions. The significance of an audit does not end with the publication of the audit report; rather, it lies above all in how the audited institutions subsequently work with the findings.

Our audit reports are often met with disagreement, disputation, downplaying, or trivialisation of the identified shortcomings. These attitudes are most strongly manifested in public and media communication, where audit reports are relativised or challenged – for example by claiming that the audit failed to capture the full context or that the SAO misunderstood the relevant facts. In other cases, audited institutions point to specific excuses such as limited capacities, the complexity of the system, an unsuitable legislative framework, or the fact that corrective measures are already being prepared. In recent years, this way of dealing with SAO audit findings has become common and something of a standard procedure. As a consequence, necessary reforms are frequently postponed, diluted, or reduced to merely formal measures, while genuine progress fails to materialise in practice.

Such an approach leads to audits being perceived more as one-off criticism than as objective and independent feedback. Instead of becoming a natural part of the management and improvement of public administration, their potential often remains unrealised. The state thus loses an important opportunity to learn from its own mistakes and to systematically improve the way it operates.

The following examples illustrate different approaches to SAO's audit findings, ranging from open disagreement to situations where necessary reforms were implemented only after a long period of time. What they all have in common is that the way public administration handles feedback fundamentally determines whether an audit truly leads to improvement, or whether it remains a wasted opportunity.

AUDIT NO [22/12](#) – CIVIL PROTECTION

The SAO audited the system of protection of the population, which includes in particular warning systems, evacuation plans, shelters and emergency survival of the population. A total of CZK 721 million provided by the Ministry of the Interior and the Ministry of Healthcare for the preparation for crisis situations was audited. The system of protection of the population is a strategic interest of the Czech Republic and at the time of the deteriorating security situation in Europe, its importance further increases. However, the MoI did not provide a sufficient number of means of individual protection, such as masks or protective suits. Even after 20 years, it has not completed the renewal of rotary sirens and has not launched a planned web portal for the public. The audit also showed that the number of permanent shelters in the CR has decreased by 32% over the last 11 years. In addition, the SAO's findings indicate that 80% of the residents surveyed do not know where the nearest permanent shelter is located. This situation was supposed to be addressed by legislative changes, but these changes have not yet been initiated by the MoI.

IN ITS PUBLISHED RESPONSE, THE MOI:

- disagreed with the SAO's conclusions, which it described as biased and misleading;
- stated that the SAO is needlessly undermining public confidence in the state;
- emphasised that, in the context of the EU, the Czech civil protection system is regarded as being very robust and well-prepared.

The Ministry of the Interior therefore downplayed the SAO's conclusions in its response and questioned their significance. Although it did not address the key shortcomings related to the need for legislative changes, it nevertheless implemented at least some measures. The Ministry created a website dedicated to civil protection and prepared the "72 Hours" handbook, which was distributed to the general public and is aimed at increasing citizens' preparedness for crisis situations. Citizens now also have access to a map of permanent shelters, enabling them to more easily identify the location of the nearest shelter. In addition, topics related to civil protection will become part of the compulsory curriculum at all primary schools from 2027 onward.

AUDIT NO [24/11](#) – VEHICLE CHECKWEIGHING

The audit focused on the system for checking vehicle weight on motorways and Class I roads revealed that the vehicle checkweighing system has failed in its primary function of protecting the transport infrastructure from overloaded vehicles through effective prevention and enforcement of sanctions. The checkweighing system did not deter the carriers from using overloaded lorries. In practice, high-speed weighbridges often failed to work and a large number of serious offences were not even passed on to the relevant municipalities for further action by the Road and Motorway Directorate. Actual penalties were imposed in only a few percent of the cases.

THE MOT, THE RMD AND THE SFTI IN THEIR PUBLISHED RESPONSE:

- stated that, in their view, the Czech Republic is a global pioneer in the large-scale deployment of checkweighing systems;
- rejected the SAO's conclusions regarding the low effectiveness of the checkweighing system;
- disputed the direct connection between journeys by overloaded vehicles and the high costs of road repairs;
- argued that the SAO had based its assessment on only part of the available data;
- declared that legislative amendments adopted between 2022 and 2024 had significantly improved the conditions for the full operation of the system.

The Ministry of Transport did not adopt sufficient measures to address the shortcomings identified by the SAO and, by the end of 2025, had failed to introduce measures aimed at resolving the core of the identified problem itself. The Ministry maintained that the fundamental systemic deficiencies had already been eliminated. At the same time, it announced plans to procure additional high-speed weighbridges, despite the fact that the existing checkweighing system had shown no effect in limiting the operation of overloaded vehicles. The acquisition of new weighbridges, however, will solve nothing in a dysfunctional system.

AUDIT NO [24/01](#) – CONSTRUCTION AND RECONSTRUCTION OF PEDESTRIAN WALKWAYS

An audit focusing on support for the construction and reconstruction of pavements and footpaths revealed that, despite investment of nearly 9.5 billion, efforts often failed to improve safety and ensure barrier-free access for pedestrians. The projects did not eliminate many bottlenecks and often did not ensure safe crossing for people with disabilities or reduced mobility. Moreover, some of the new pavements were not maintained by municipalities, were overgrown with vegetation or were blocked by parking cars.

IN ITS PUBLISHED RESPONSE, THE MINISTRY OF REGIONAL DEVELOPMENT (MoRD):

- called into question the methodology applied by the SAO,

- disputed the SAO's findings regarding the inappropriate targeting of support,
- cited a lack of capacity to monitor projects and assess their benefits,
- stated that it had made changes and would continue to provide support during the current programming period under the IROP 2021–2027.

In their response ([contained in Government Resolution No 801 of 22 October 2025](#)), the MoT and SFTI stated that they had:

- merely reduced the support intensity from 85% to 75% in response to the SAO's recommendation to reassess and amend the current form of support,
- abolished the requirement for applicants to provide documentation proving the settlement of property rights for land affected by the construction projects, without thereby eliminating the underlying deficiency.

In the view of the SAO, the responsible authorities failed to adopt adequate measures addressing the root causes of the problems described.

■ **AUDIT NO [24/04](#) – THE E-COLLECTION AND E-LEGISLATION PROJECT**

The SAO examined the Ministry of the Interior's plan to develop an information system (e-Collection and e-Legislation) for the electronic drafting and publication of legal regulations in the Czech Republic over the course of three years, from 2017 to 2020. The SAO found that the project had fallen significantly behind schedule, extending from three to nine years, whilst its budget had risen from CZK 482 million to over CZK 900 million. Despite this increase in funding and the delays, the MoI has managed to fully launch only a part of the project, namely the e-Collection system. However, the e-Collection was not without issues after its launch and often did not show the up-to-date consolidated versions of legal regulations.

[IN ITS PUBLISHED RESPONSE, THE MOI:](#)

- emphasised that the project places the CR among the European leaders in the digitalisation of the legislative process;
- disagreed with a number of the SAO's conclusions, describing them as inaccurate, misleading, and taken out of context;
- stated that the e-Legislation system had been operational since July 2024 and, like the e-Collection system, was fully functional;
- argued that the delays had been caused by the initial unrealistic deadlines.

In 2025, the Chamber of Deputies approved a one-year postponement of the mandatory use of the e-Legislation system due to persisting technical and operational issues, insufficient user readiness, and the need for further system development. This step only confirms the conclusions of the audit and demonstrates that the problems highlighted by the SAO reflected the actual state of the project even after its official launch.

WITHOUT A CHANGE IN APPROACH, CHANGES IN RESULTS CANNOT BE EXPECTED

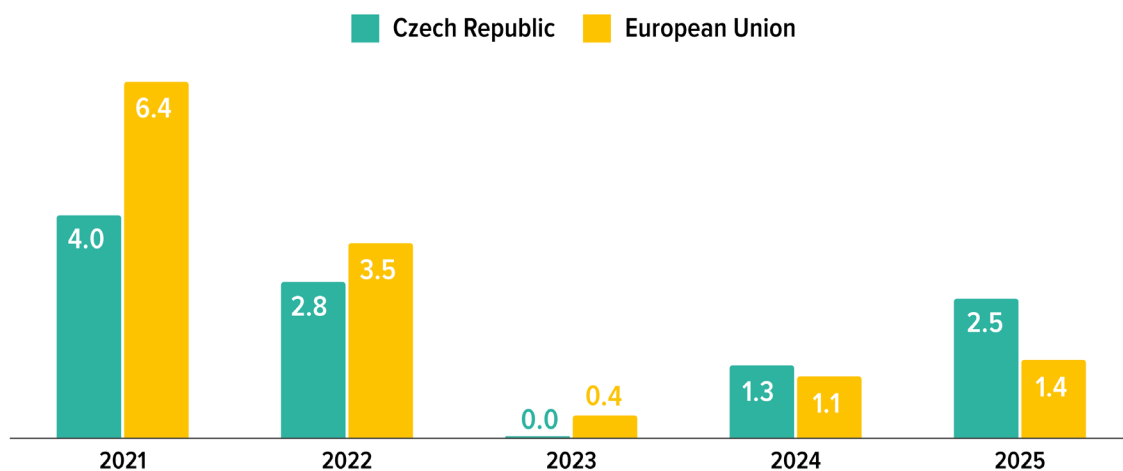
Repeated audit findings also show that the problem often lies not only in isolated errors, but in the very structure of how public administration operates. The system itself does not create sufficient incentives for change: responsibility for corrective action becomes diffused, while individual institutions and departments focus primarily on fulfilling their own tasks and protecting established procedures. Success is measured more by the formal completion of steps and the exhaustion of allocated funds rather than by checking whether the activities of state institutions are meaningful and beneficial to citizens, and not merely serving the institutions' own existence.

Yet the ability to recognize in time that a chosen course of action is not leading to the intended objective – and subsequently to reassess or change direction – is one of the fundamental prerequisites of well-functioning public administration. Where this ability is lacking, even long-known deficiencies persist and reappear in subsequent audits. Public funds are then spent without achieving a corresponding effect, while public confidence in the state's ability to solve its own problems systematically and in a timely manner gradually weakens. Without a genuine change in approach, the same mistakes continue to recur – only at greater cost.

2. PUBLIC FINANCES

In 2025, the economic recovery of the Czech Republic continued. Year-on-year growth in real gross domestic product by 2.5%² corresponds to the current estimate of the long-term potential of the Czech economy. Further acceleration is being hindered by persistent structural barriers, the removal of which could open the way to more dynamic economic development. Household consumption contributed most significantly to growth. Gross capital formation and government expenditure also played a positive role. For the second consecutive year, the economy of the European Union grew more slowly than the Czech economy. Slower growth within the EU was influenced above all by the weak performance of the Germany economy, which only grew by 0.2%.

Chart 1: Development of year-on-year change in GDP 2021–2025 (%)



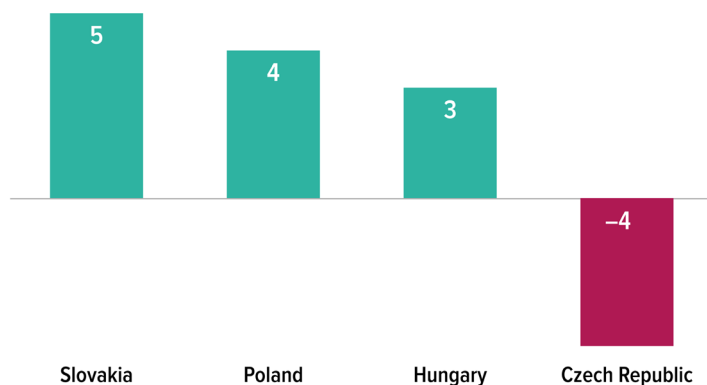
Source: Eurostat, *Macroeconomic Forecast – January 2026*

Note: In the case of 2025, this is the MoF's January 2026 forecast.

Although the economic performance of the Czech Republic has improved over the past two years, it has still not fully offset the effects of the preceding crisis periods. While in 2019 the Czech Republic's GDP per capita (in terms of purchasing power parity) reached 95% of the EU average, by 2024 it had fallen to only 91%. Compared to the other Visegrad Group countries, which moved closer to the EU average during the same period, the Czech Republic therefore experienced a slight deterioration in its relative position. Despite this decline, however, the Czech economy still maintained the highest GDP per capita adjusted for purchasing power among the countries observed.

2 This refers to the Ministry of Finance's January 2026 forecast (seasonally adjusted).

Chart 2: Change in the economic performance of the V4 countries relative to the EU average between 2019 and 2024 (p.p.)

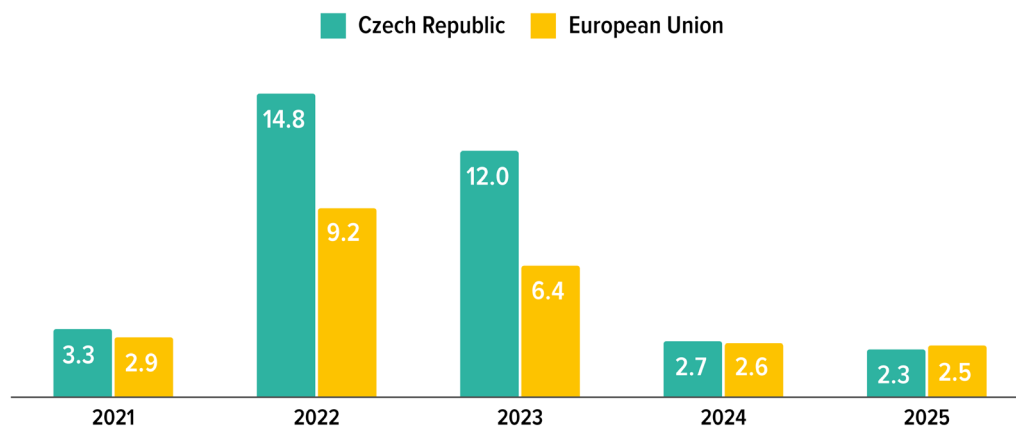


Source: Eurostat.

Note: The chart shows the change in economic performance of countries, measured by GDP per capita and adjusted for purchasing power parity, between 2019 and 2024. The data are expressed as a deviation from the EU average, which is set at 100. Positive values indicate a convergence towards the EU average, while negative values indicate divergence from it.

Average inflation in 2025 reached 2.3%, the lowest level recorded in recent years. Its development over the course of the year was significantly influenced by fluctuating prices of food and non-alcoholic beverages, the decline of which recorded in the second half of the year contributed substantially to the slowdown in inflation. Prices of services, however, remained a potential source of inflationary pressure.

Chart 3: Inflation in 2021–2025 (%)

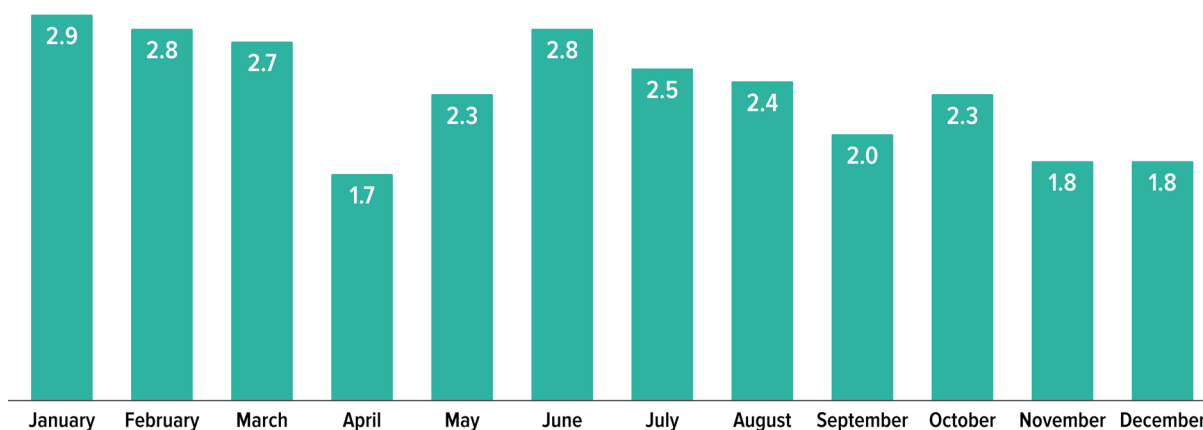


Source: Eurostat

Note: This is the Harmonised Indices of Consumer Prices (HICP), which is used for international price comparisons in the European Union.

Inflation remained below 3% throughout 2025, i.e. within the CNB's tolerance band. In fact, in three months of 2025, price growth was even below the 2% target. In December, the growth in food and non-alcoholic beverage prices slowed down, while the growth rate in services prices accelerated. Inflation adjusted for fluctuating food, energy and fuel prices ("core inflation") reached 2.8% in the last month of 2025. When setting interest rates, the CNB relies primarily on core inflation, the level of which is the main reason why interest rates remain relatively high.

Chart 4: Annual inflation in the Czech Republic in individual months of 2025 (%)

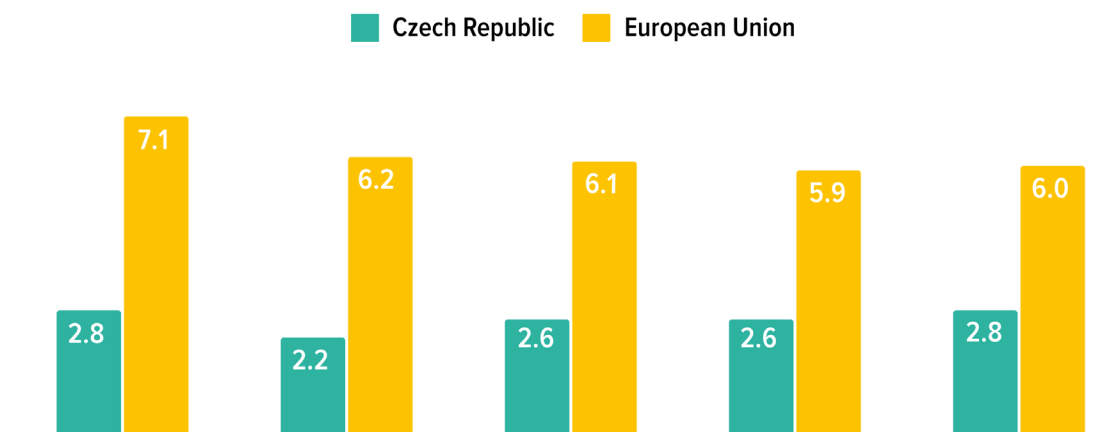


Source: Eurostat.

Note: This is the Harmonised Indices of Consumer Prices (HICP), which is used for international price comparisons in the European Union.

The labour market did not undergo any significant changes in 2025 and the Czech Republic maintained a very low unemployment rate, which stood at 2.8% at the end of the year. This was the lowest figure in the entire European Union, with the EU average reaching 6.0%. Although the Czech Republic has long maintained one of the lowest unemployment rates in Europe, limited flexibility of the labour market and labour shortages in certain sectors continue to hold back faster economic growth.

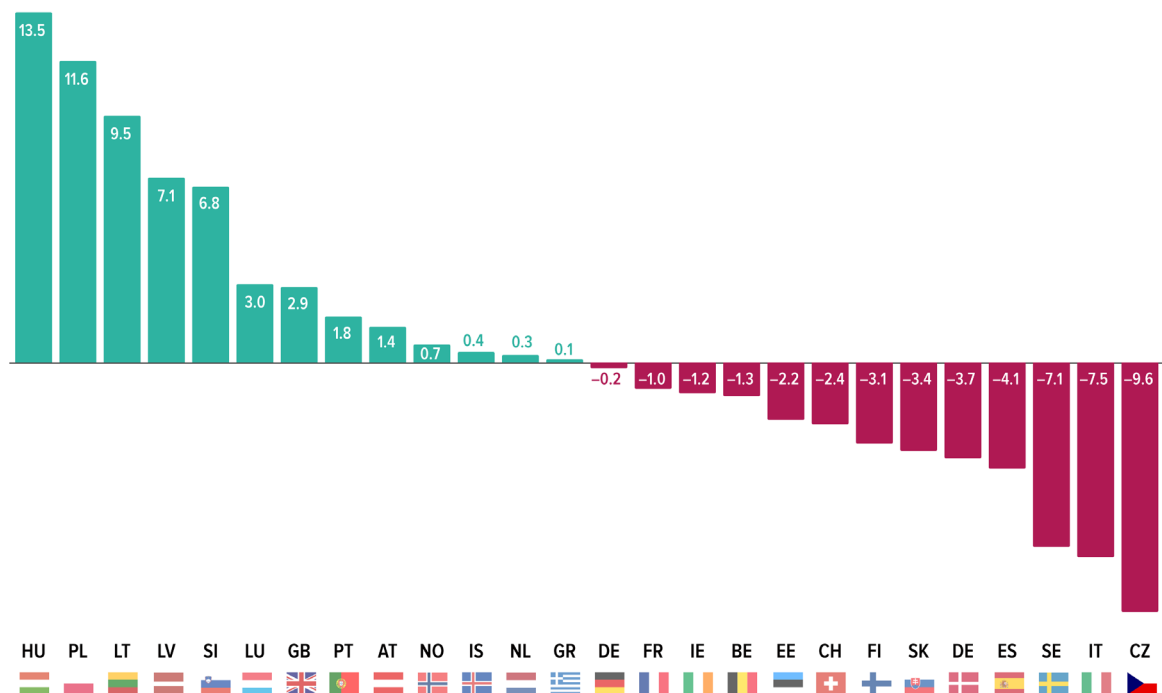
Chart 5: Development of unemployment 2021–2025 (%)



Source: Eurostat.

Although real wages increased in 2024 and 2025, their previous significant decline – caused mainly by high inflation – meant that real incomes had not yet returned to their pre-Covid-19 pandemic levels. According to OECD data, real wages in the Czech Republic in the first quarter of 2025 were 9.6% lower than in the first quarter of 2021. By contrast, some Central European countries, such as Hungary and Poland, saw a significant rise in real wages over the same period.

Chart 6: Cumulative change in real hourly wages in selected OECD countries between Q1 2021 and Q1 2025 (%)



Source: OECD – *Employment Outlook* of 9 July 2025.

The Act on the State Budget of the Czech Republic for 2025³ set revenues of **CZK 2,086.1 billion**, and expenditures of **CZK 2,327.1 billion**. The projected state budget deficit thus stood at **CZK 241.0 billion**, representing a reduction of CZK 41 billion compared with 2024.

Table 2: Overall state budget performance 2021–2025

(CZK billion)

Indicator	2021	2022	2023	2024	2025
Revenue	1,487.2	1,624.4	1,914.1	1,965.4	2,081.1
Expenditure	1,906.9	1,984.8	2,202.6	2,236.8	2,371.8
Balance	-419.7	-360.4	-288.5	-271.4	-290.7
Balance without EU/FM*	-408.6	-316.8	-300.6	-288.9	-249.9
Balance approved by law	-500.0	-375.0	-295.0	-282.0	-241.0

Source: Integrated Information System of the State Treasury.

* Meaning balance without funds from the EU and Financial Mechanisms.

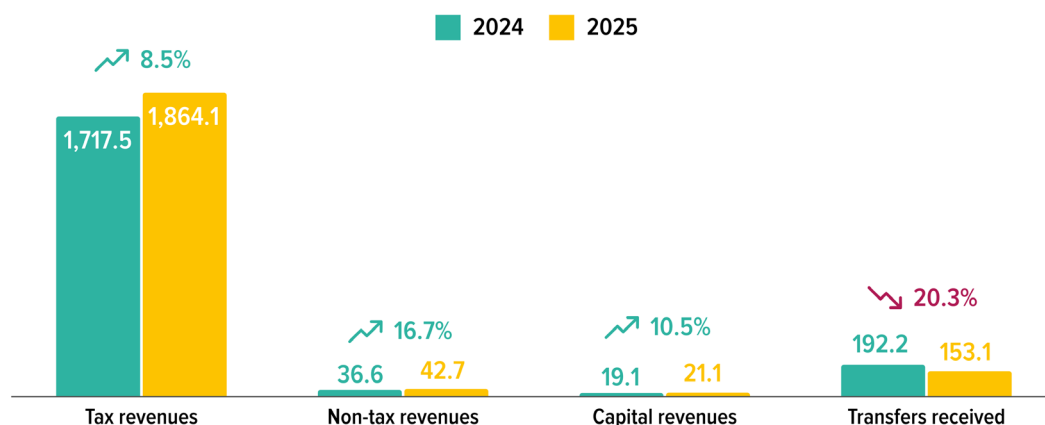
The final balance of the state budget in 2025 stood at a deficit of **CZK 290.7 billion**, representing a year-on-year deterioration of **CZK 19.3 billion**. The deficit exceeded the statutory budget balance by CZK 49.7 billion (including EU funds). The balance, adjusted for EU/FM funds, improved by **CZK 39 billion** year-on-year, but still showed a deficit of **CZK 249.9 billion**, which means the approved deficit was exceeded by **CZK 8.9 billion**.

Total state budget revenue in 2025 amounted to **CZK 2,081.1 billion**, representing a year-on-year increase of **CZK 115.7 billion**, or 5.9%. The increase in revenue was primarily driven by higher tax revenue, including social security contributions, which rose by 8.5% year-on-year. This development was driven by the economic recovery, the impact of the measures contained in the consolidation package⁴, and the change in the allocation of tax revenues to the state budget⁵. Non-tax revenue, which is of lesser financial significance, increased by **CZK 6.1 billion** year-on-year, whilst capital revenue rose by **CZK 2.0 billion**. On a year-on-year basis, however, transfers received had a negative impact, falling by 20.3% (i.e. **CZK 39.1 billion**) as a result of lower funding from the EU and financial mechanisms, as well as transfers of income from the state's equity holdings.

4 Act No 349/2023 Coll., amending certain acts in connection with the consolidation of public budgets.

5 The share of national VAT, PIT and CIT revenue allocated to local authorities for 2025 has been reduced by 0.76 p.p., i.e. to 24.16%, and for regions by 0.31 p.p., i.e. to 9.45% (see Sections 3 and 4 of Act No 243/2000 Coll., on Budgetary Allocation of Taxes).

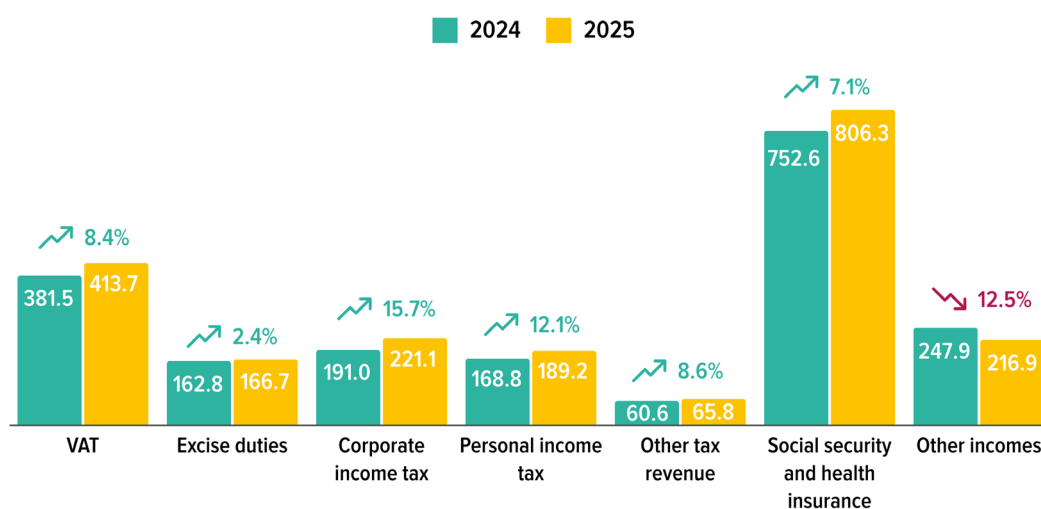
Chart 7: State budget revenue execution by class for 2024 and 2025 and year-on-year change (CZK billion, %)



Source: Integrated Information System of the State Treasury.

In terms of tax revenue, all major tax categories recorded positive year-on-year growth. In particular, revenue from corporation tax and personal income tax rose significantly year-on-year. VAT collection and financially significant income from social security premiums also recorded growth.

Chart 8: State budget revenue execution by individual components for 2024 and 2025 and year-on-year change (CZK billion, %)



Source: Integrated Information System of the State Treasury.

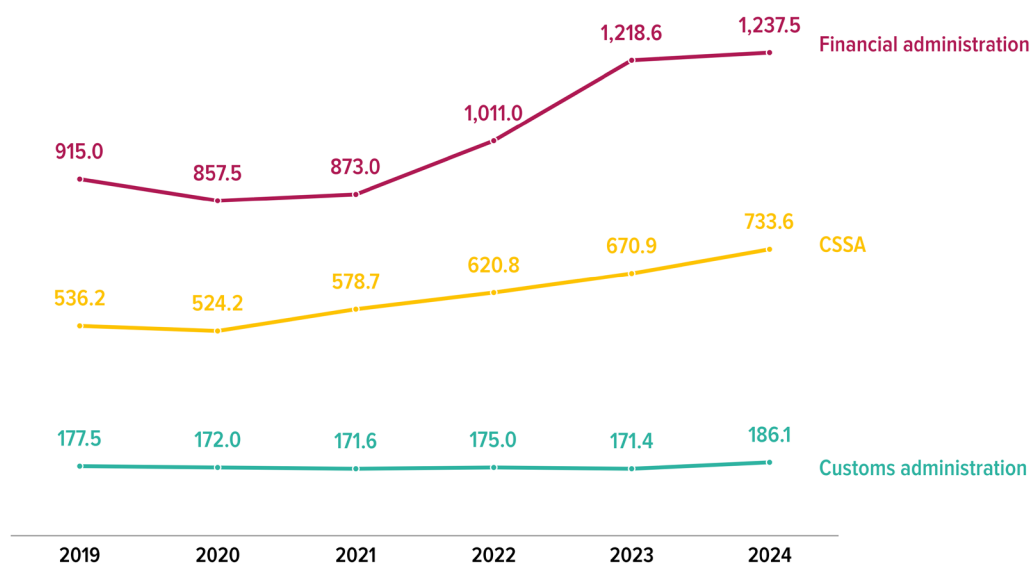
Note: Corporate income tax does not include revenues from the windfall tax (WFT). Other tax revenues comprise of: WFT, levies on excessive revenues, land-fill fees, charges for the removal of land from the agricultural land fund, gambling taxes, and other tax revenues. Other revenues comprise of: non-tax and capital revenues and received transfers.

Data on the trend in state budget tax revenue show that, year-on-year, there was an increase in revenue collected in 2024 across all three tax and social security authorities under review. Revenue administered by the Financial Administration increased by **CZK 18.9 billion (1.6%)**. This is a relatively modest increase, reflecting the fact that the impact of the consolidation package on tax revenues (particularly income tax and VAT) was estimated at just a few billion crowns for 2024, against a backdrop of subdued economic growth. Revenue collected by the Customs Administration increased by **CZK 14.7 billion (8.6%)**, primarily as a result of the return of the excise duty rate on diesel fuel to its original level⁶ and increases in excise

6 The temporary reduction in the excise duty rate on diesel fuel, which stood at CZK 8.45 per litre, was restored to its original level of CZK 9.95 per litre on 1 January 2024.

duty rates on alcohol and tobacco products. The highest growth was recorded by the Czech Social Security Administration, amounting to **CZK 62.7 billion (9.3%)**, primarily due to increases in wages and employment, as well as changes to contributions from self-employed persons introduced by the consolidation package.

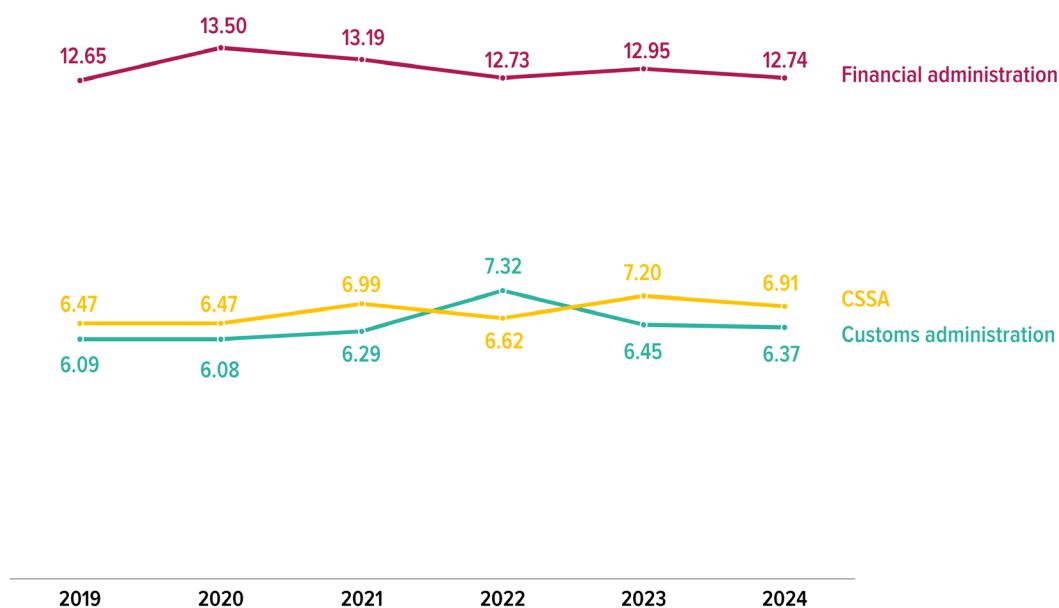
Chart 9: Total tax revenue collection 2019–2024 (CZK billion)



Source: Annual reports on the activities of the Financial Administration of the Czech Republic; reports on the activities of the Financial Administration of the Czech Republic and the Customs Administration of the Czech Republic; reports on the activities of the Czech Social Security Administration.

Between 2023 and 2024, there was a slight year-on-year decline in total expenditure. Total expenditure fell by **CZK 0.2 billion (–1.6%)** at the Financial Administration and by just under **CZK 0.1 billion (–1.2%)** at the Customs Administration. The most significant relative reduction was recorded by the Czech Social Security Administration, whose expenditure fell by just under **CZK 0.3 billion (–4.0%)**. The decline in expenditure is linked to the government's across-the-board cost-cutting measures as part of the consolidation package, which, from 2024, will reduce government operating costs and public sector wages and require state budget departments to cut both current and capital expenditure.

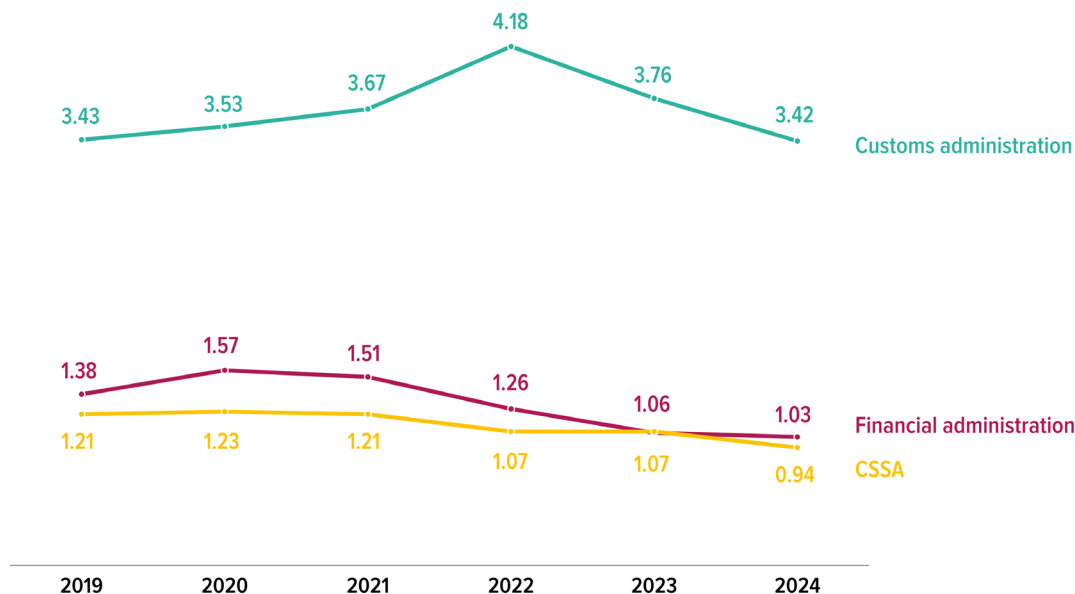
Chart 10: Total tax revenue collection between 2019–2024 (CZK billion)



Source: Annual reports on the activities of the Financial Administration of the Czech Republic; reports on the activities of the Financial Administration of the Czech Republic and the Customs Administration of the Czech Republic; reports on the activities of the Czech Social Security Administration

A comparison of 2023 and 2024 shows a further decline in the cost of collecting 100 CZK in tax and social security contributions across all three relevant authorities. These costs fell by 2.8% at the Financial Administration, by 9.0% at the Customs Administration and by 12.1% at the Czech Social Security Administration. The reduction in collection costs is linked both to cost-cutting measures and the reduction of operating expenses as part of the government's consolidation policy, and to the growth or maintenance of the volume of revenue collected, against which fixed costs are apportioned.

Chart 11: Development of total expenditure incurred to collect CZK 100 in tax revenue in 2019–2024 (CZK billion)



Source: Annual reports on the activities of the Financial Administration of the Czech Republic; reports on the activities of the Financial Administration of the Czech Republic and the Customs Administration of the Czech Republic; reports on the activities of the Czech Social Security Administration.

Between 2023 and 2024, total tax and social security revenue increased by **CZK 96.3 billion** (4.7%) year-on-year. Total expenditure on their collection fell by just under **CZK 0.6 billion** (–2.2%). Overall cost-effectiveness in tax administration improved by 8.5% in 2024 compared with 2023, mainly as a result of cost-saving measures in the areas of personnel and operating costs, whilst revenue collection remained at a relatively high level.

In 2025, total state budget expenditure reached **CZK 2,371.8 billion**, an increase of **CZK 135.0 billion** (i.e. 6.0%) year-on-year. The rate of growth in total expenditure thus slightly exceeded the growth in revenue. Compared with the approved budget, expenditure was **CZK 44.7 billion** higher, mainly due to higher current expenditure. These rose by **CZK 87.5 billion** year-on-year and exceeded the approved budget by **CZK 34.9 billion**. This increase was primarily due to higher non-investment transfers to businesses and local authority budgets⁷.

Capital expenditures amounted to **CZK 260 billion**, up by **CZK 47.5 billion** year-on-year. This increase was driven in particular by higher investment transfers to the State Fund for Transport Infrastructure (SFTI), which rose by **CZK 35.2 billion** year-on-year to a total of **CZK 93.8 billion**.

⁷ Non-investment transfers to local authority budgets include, amongst other things, grants for regional education, comprising funds for the salaries of teaching and non-teaching staff at primary and secondary schools.

Table 3: Development of current and capital expenditures 2021–2025

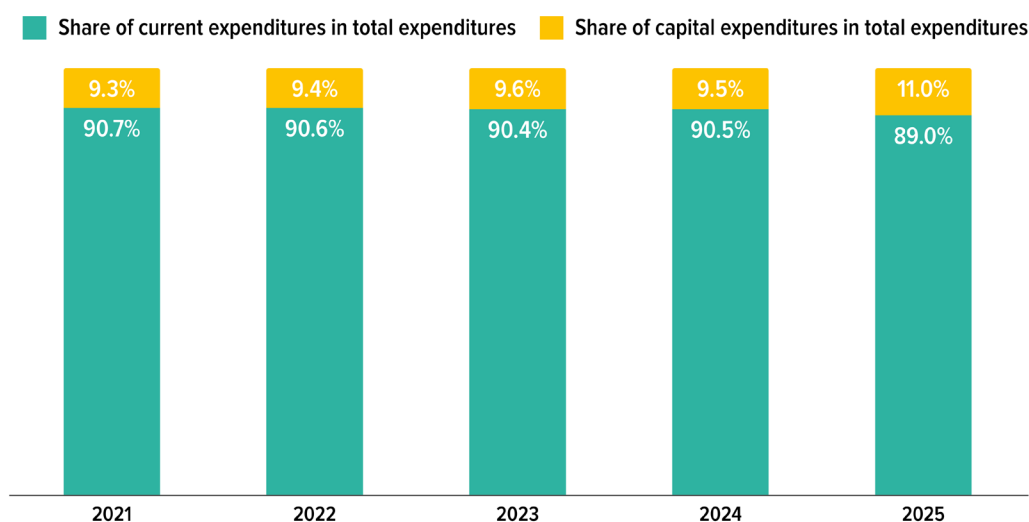
(CZK billion)

Indicator	2021	2022	2023	2024	2025
Current expenditures	1,729.8	1,798.8	1,992.2	2,024.3	2,111.8
Capital expenditures	177.1	186.0	210.5	212.5	260.0
Total expenditure	1,906.9	1,984.8	2,202.6	2,236.8	2,371.8

Source: Integrated Information System of the State Treasury.

In 2025, there was a slight shift in the structure of central government expenditure towards capital expenditure. Their share rose to 11%, bringing it back above the 10% mark for the first time since 2015. This increase was driven, among other things, by higher take-up of funds for projects co-financed by the European Union and financial mechanisms; this take-up rose by **CZK 28.7 billion** year-on-year. Nevertheless, the bulk of expenditure continued to be made up of current expenditure.

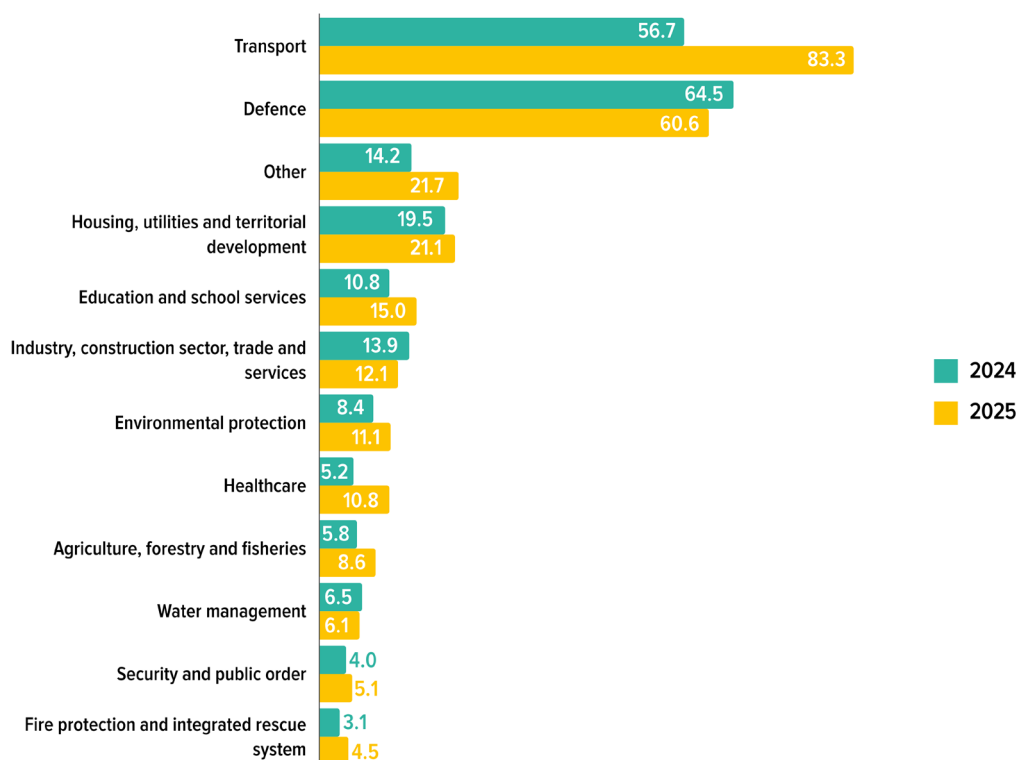
Chart 12: Current and capital expenditures as a share of total state budget expenditure 2021–2025 (%)



Source: Integrated Information System of the State Treasury.

The largest share of capital expenditure in the state budget in 2025 was allocated to the transport sector. Investment in this area saw the largest year-on-year increase (by **CZK 26.7 billion**) and reached a total of **CZK 83.3 billion**. The sector with the second-highest year-on-year growth in capital expenditure was healthcare, with an increase of **CZK 5.7 billion**. By contrast, capital expenditure on defence fell by **CZK 3.9 billion**. Compared with 2024, the breakdown of investment expenditure across the various sectors has therefore changed.

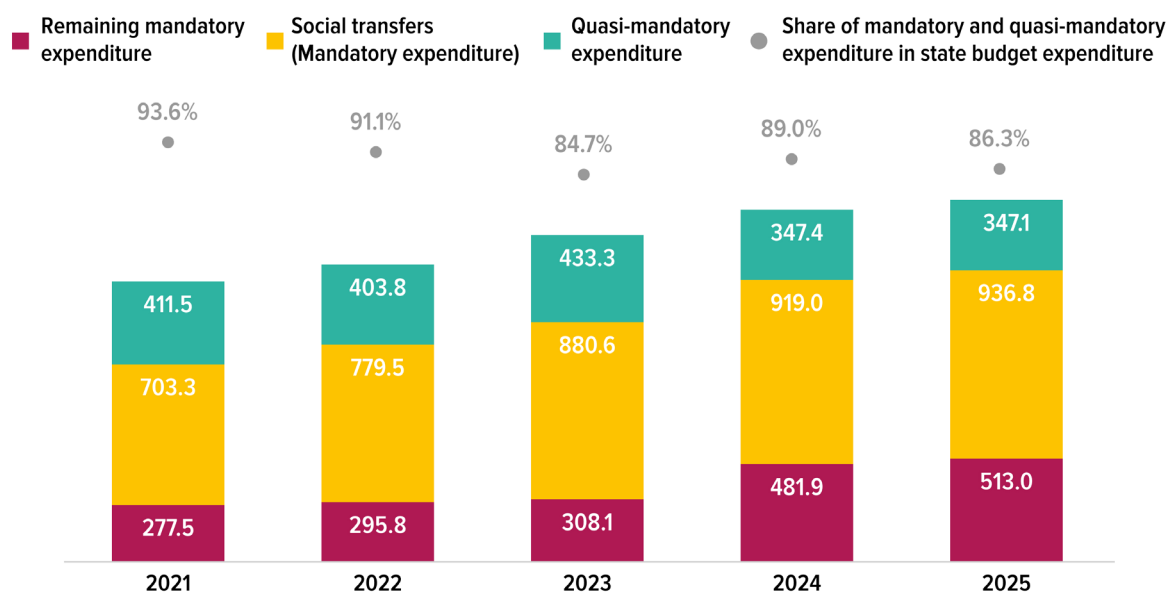
Chart 13: Amount of capital expenditures by sectoral classification of the budget composition in 2024 and 2025 (CZK billion)



Source: Integrated Information System of the State Treasury.

Although the overall state budget balance deteriorated year-on-year due to lower revenues and higher expenditure related to the EU/FM, the balance excluding the EU/FM improved. Mandatory and quasi-mandatory expenditure accounts for a large proportion of the state budget, which limits the government's ability to adjust expenditure or reduce the deficit. For 2025, mandatory and quasi-mandatory expenditure was budgeted at **CZK 1,796.9 billion**, representing 86.3% of total state budget revenue. The government could therefore use the remaining 13.7% of revenue to implement its fiscal priorities; this represents a slight increase compared with 2024.

Chart 14: Mandatory and quasi-mandatory expenditure and its share in total revenue of the state budget 2021–2025 (CZK billion, %)

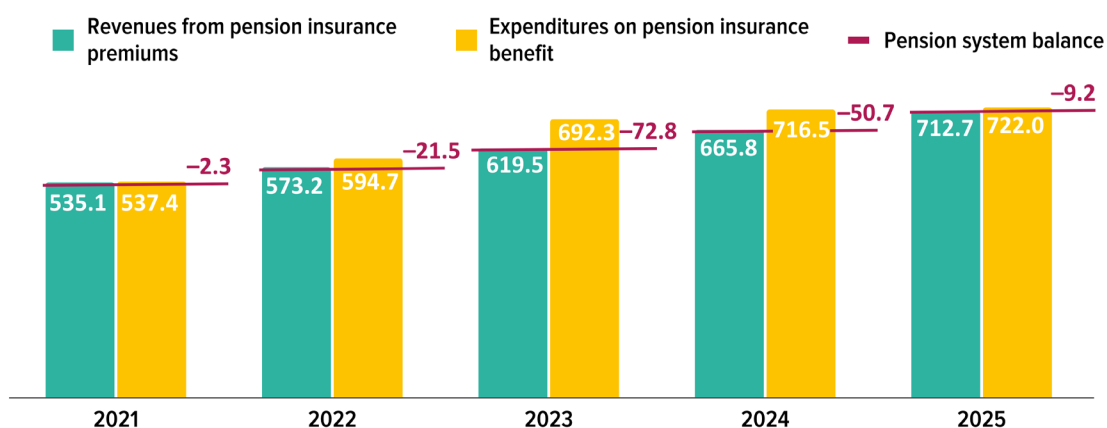


Source: State Final Accounts 2021–2024, documentation for the draft Act on the State Budget for 2026.

Note: In 2025, that is the state budget.

In 2025, expenditure on pension insurance benefits accounted for 49.8% of mandatory expenditure and 30.4% of total state budget expenditure. The pension insurance system ended last year with a deficit of **CZK 9.2 billion**, which represents an improvement of CZK 41.5 billion compared with the previous year. The economic recovery, higher household incomes, changes to pension indexation and stricter conditions for early retirement all contributed to the more favourable results.

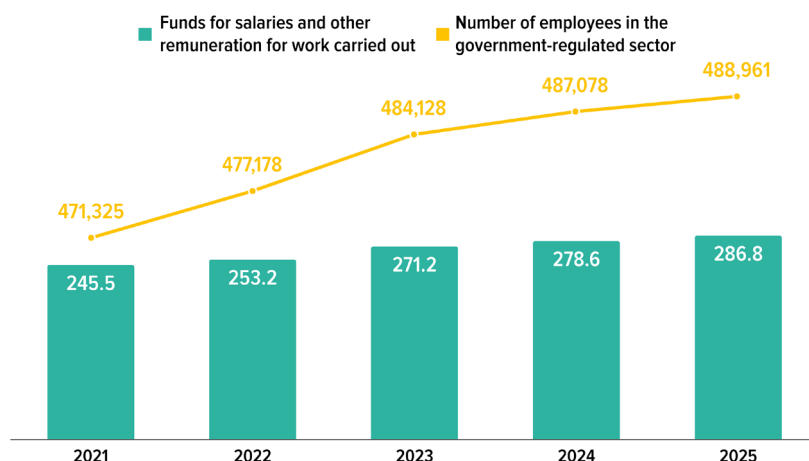
Chart 15: Pension system management in 2021–2025 (CZK billion)



Source: Ministry of Finance

The largest item of quasi-mandatory expenditure is salaries of people employed in the government-regulated sector. In 2025, teaching and non-teaching staff accounted for more than half (a total of 261,870⁸ employees) of the total number of 488,961 public sector employees. Year-on-year, expenditure on public sector employees' salaries rose by CZK 8.2 billion, whilst the number of these employees increased by 1,883.

Chart 16: Number of employees in the government-regulated sector and funds for their salaries in 2021–2025 (in billions of CZK, in number of employees)



Source: State Final Accounts 2021–2024, documentation for the draft Act on the State Budget for 2025.

Note: In 2025, that is the state budget.

Claims from unused expenditure remain a significant factor in the management of state budget funds. As at 1 January 2026, claims from unused expenditure amounted to CZK 178 billion, representing a decrease of CZK 23.7 billion compared with the figure as at 1 January 2025.

However, the persistently high level of these funds continues to pose a risk to the stability of public finances. Although there has been a year-on-year decline, a more significant drawdown of the claims from unused expenditure in the coming years could undermine the government's ability to meet its fiscal targets and disrupt the expected development of the state budget.

Table 4: Profiling and non-profiling claims on unspent expenditures 2021–2026 (CZK billion)

Indicator	2021	2022	2023	2024	2025	2026
Claims for unspent expenditure as of 1 January	174.7	162.8	210.1	212.0	201.7	178.0
of which: profiling	142.9	130.2	161.5	189.9	179.1	164.2
non-profiling	31.8	32.6	48.6	22.1	22.5	13.8

Source: Integrated Information System of the State Treasury.

Due to significant budget deficits in recent years, the national debt is rising. At the end of 2025, government debt amounted to CZK 3,678 billion, a year-on-year increase of a further CZK 313 billion (i.e. 9.3%). According to the medium-term outlook, government debt should reach CZK 4 trillion in 2027 already.

In particular, the accumulation of large deficits in recent years has led to a sharp rise in government debt servicing expenditure. Compared to 2021, these debt servicing costs increased by CZK 55.9 billion in 2025, reaching CZK 98.1 billion.

Table 5: Government debt servicing expenditure in 2021–2025 (CZK billion)

Indicator	2021	2022	2023	2024	2025
Government debt servicing expenditure	42.2	49.7	68.3	88.5	98.1

Source: State Final Accounts 2021–2024, [Ministry of Finance](#).

According to European Commission estimates, public debt – the largest part of which is the Czech Republic's government debt – is projected to reach 43.4% of GDP in 2025. This makes the Czech Republic the eighth least indebted country in the European Union. However, the pace at which the Czech Republic accumulates debt remains a risk. While most EU Member States managed to reduce their debt during the period under review, the CR's debt, by contrast, increased by 2.7%. The Czech Republic has therefore failed to use the post-pandemic period to build up a fiscal buffer that could serve as a safeguard in the event of further crises.

Table 6: Public debt to GDP in 2021–2026

Country	2021 (%)	2022 (%)	2023 (%)	2024 (%)	2025* (%)	2026* (%)	2021 → 2025 (p.p)
Estonia	18.4	19.2	20.2	23.5	23.4	25.9	5.0
Luxembourg	24.2	24.9	24.7	26.3	26.8	27.1	2.6
Bulgaria	23.8	22.5	22.9	23.8	28.5	30.6	4.7
Denmark	39.6	33.3	33.0	30.5	28.9	27.7	-10.7
Ireland	52.4	42.9	41.8	38.3	33.1	32.5	-19.4
Sweden	37.2	34.1	32.0	34.0	34.5	35.3	-2.7
Lithuania	43.3	38.3	37.1	38.0	39.8	44.7	-3.5
Czech Republic	40.7	42.5	42.2	43.3	43.4	44.1	2.7
Netherlands	50.5	48.4	45.8	43.7	45.2	47.9	-5.3
Malta	49.8	50.3	47.0	46.2	47.0	47.2	-2.8
Latvia	45.9	44.4	44.4	46.6	48.3	49.9	2.4
Croatia	78.2	68.5	60.9	57.4	56.2	56.1	-22.0
Cyprus	96.5	80.3	71.1	62.8	56.4	51.0	-40.1
Romania	48.6	48.1	49.3	54.8	59.1	61.1	10.5
Poland	53.0	48.8	49.5	55.1	59.5	64.9	6.5
Slovakia	60.2	57.8	55.8	59.7	61.9	64.0	1.7
Germany	67.9	64.4	62.3	62.2	63.5	65.2	-4.4
Slovenia	74.8	72.8	68.3	66.6	65.2	63.7	-9.6
Hungary	76.2	74.1	73.2	73.5	73.7	73.9	-2.5
Austria	82.4	78.1	77.8	79.9	81.4	82.8	-1.0
EU	88.3	83.8	81.8	82.0	82.8	83.8	-5.6
Finland	73.1	74.0	77.1	82.5	88.1	90.9	15.0
Portugal	123.9	111.2	96.9	93.6	91.3	89.2	-32.6
Spain	115.7	109.3	105.2	101.6	100.0	98.2	-15.7
Belgium	108.7	103.4	102.4	103.9	107.1	109.9	-1.6
France	112.8	111.4	109.8	113.2	116.3	118.1	3.5
Italy	145.8	138.4	133.9	134.9	136.4	137.9	-9.5
Greece	197.3	177.8	164.3	154.2	147.6	142.1	-49.7

Source: Eurostat, Statistical Annex – European Economic Forecast – Autumn 2025 [\[fdms_udgg\] Gross debt](#).

* In case of years 2025 and 2026, the source is the European Commission's forecast from November 2025.

Despite the ongoing economic recovery, the government ended the year with a large deficit

ALTHOUGH STATE BUDGET REVENUES HAVE INCREASED DUE TO HIGHER TAX REVENUES AND COLLECTIONS OF SOCIAL SECURITY CONTRIBUTIONS, THE BALANCE WAS NEGATIVELY AFFECTED BY LOWER REVENUES FROM THE EU AND FM AS WELL AS BY ONGOING PRESSURE ON CURRENT EXPENDITURES.

Total state budget revenue and expenditure (CZK billion)

	2024	2025	Change
Revenue	1,965.4	2,081.1	115.7 ↗
Expenditure	2,236.8	2,371.8	135.0 ↗
Balance without EU/FM	-288.9	-249.9	
Balance	-271.4	-290.7	

GDP

(2024–2025)

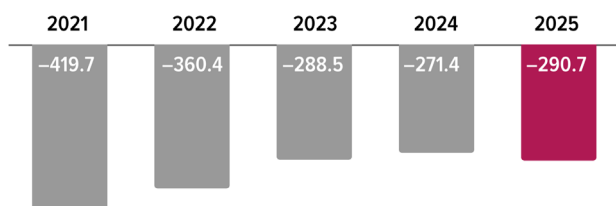
2.5% ↗

Inflation

(2025)

2.3% ↘ year-on-year
by 0.4 p. p.

State budget balance (CZK billion)



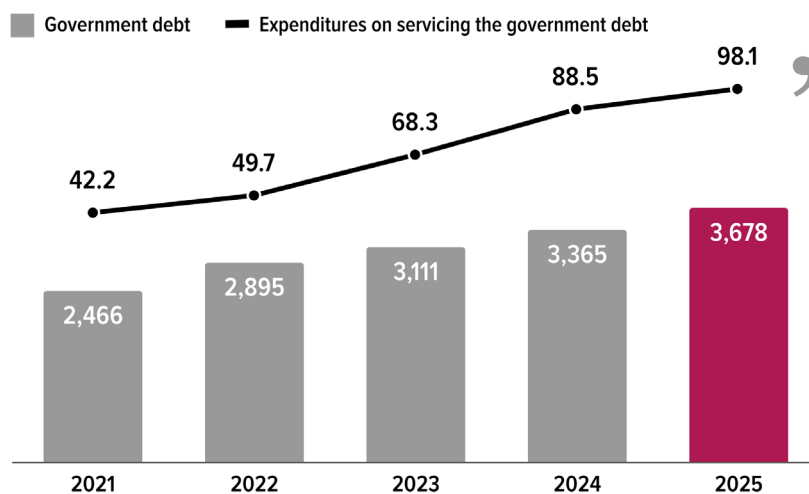
Unemployment

(2025)

2.8% ↗ year-on-year
by 0.2 p. p.

UNTIL 2025, THE GROWTH OF GOVERNMENT DEBT WAS MAINLY DRIVEN BY PERSISTENT BUDGET DEFICITS, WHICH LED TO A FURTHER INCREASE IN DEBT AND EXPENDITURE ON SERVICING THE GOVERNMENT DEBT. THE PROPORTION OF DEBT TO GDP REMAINED BELOW THE EU AVERAGE, BUT THE RATE OF ITS GROWTH POSES A LONG-TERM FISCAL RISK.

Expenditure on servicing the government debt (CZK billion)



” The increased cost of servicing the government debt was caused by accumulation of large deficits in recent years.

3. AUDITS OF STATE BUDGET REVENUE

The SAO's audits also pay constant attention to state revenue. This is not only because securing sufficient resources is a necessary precondition for meeting the needs and objectives of the state's spending policies, but also because it is crucial to assess the effectiveness of their management and the impact of a number of legislative changes and measures in this area.

In 2025, the SAO completed three audits focusing on state revenue:

- Illegal employment (Audit No [24/14](#)),
- Administration of court fees and collection of judicial claims (Audit No [24/31](#)),
- Value added tax administration with a focus on cross-border e-commerce (Audit No [25/01](#)).

ILLEGAL EMPLOYMENT

Taxation of illegal work by individuals is a long-standing problem impacting effective collection of state revenue. Illegal employment, where employers do not pay taxes, social security contributions, and public health insurance, has a significant negative impact on state budget revenue in addition to its impact on the employees themselves. Audit No [24/14](#) focused on this issue, in which the SAO examined whether the responsible state administration authorities cooperated and exchanged information between 2019 and 2023 in order to assess additional personal income tax, social security contributions, and public health insurance contributions from illegally paid remuneration.⁹

The SAO revealed shortcomings in public administration authorities¹⁰ in the exchange of information in the area of illegal employment and in the management of overpayments on public health insurance contributions. The relevant authorities did not pass on the necessary information within the specified deadlines, nor did they share certain information with one another regarding their inspections into illegal employment. Employers who were fined for illegally employing foreigners were not charged the statutory insurance payments. The reason is the lack of legislation governing the powers to assess additional taxes. The MoF did not request refunds of public health insurance contributions paid for illegally employed job seekers. Furthermore, tax inspections conducted by the Financial Administration on the basis of suggestions from the supervisory authorities had a low fiscal effect, yielding only CZK 1 million between 2021 and 2023. The SAO has estimated that revenue losses resulting from illegal employment amount to tens of billions of crowns a year.

The MoLSA has not estimated the loss in revenue from taxes and statutory insurance contributions due to illegal work. Hence, the SAO made its own estimate of the level of revenue losses in the area of illegal employment, based on an estimate of the number of illegal workers derived from labour statistics. The annual estimate of unpaid contributions to public budgets in 2019 stood at **CZK 23 billion**¹¹. The SAO's estimate for the period 2019–2022 was **CZK 92 billion**¹². A study published in 2023 by the European Commission¹³ estimated the loss of revenue from undeclared work in the CR in 2019 at nearly **CZK 89 billion** (1.5% of GDP). Furthermore, the audit found that no administrative body has been designated by law to assess additional statutory insurance payments to employers who have been fined for employing foreigners without valid residence permits in the CR. Therefore, neither the CSSA nor the SLIO assessed these additional payments between 2019 and 2023. The SAO carried out its own estimate for this period and, based on **93** final decisions imposing fines¹⁴, legal entities acting as employers were required to pay a total of at least **CZK 2 million**.

9 With this audit, the SAO followed up on Audit No 18/32 – *State budget revenues collected in the field of labour taxation* (the audit report was published in Vol. 3/2020 of the *SAO Bulletin*).

10 The following entities were audited: Ministry of Finance (MoF); General Financial Directorate (GFD), or the bodies of the Financial Administration of the Czech Republic (FA CR); General Directorate of Customs (GDC), or the Czech Customs Administration (CA CR); Ministry of Labour and Social Affairs (MoLSA); Czech Social Security Administration, Prague (CSSA); State Labour Inspection Office, Opava branch (SLIO).

11 This is the average when considering the minimum and average wages.

12 This is an estimate based on data from the Czech Statistical Office.

13 *Study on the effectiveness of policies to tackle undeclared work* (VT/2021/0380), European Commission, 25 July 2023.

14 Fines imposed for the infraction of enabling illegal work without a valid residence permit in the Czech Republic.

As in Audit No **18/32**¹⁵, the SAO pointed out that the MoF had not requested refunds of public health insurance contributions paid for job seekers working illegally, nor did it have data on the number of insured persons for whom the state had paid contributions, even though they were engaged in illegal work. Furthermore, the MoF has not conducted any analysis focused on the impact of the non-reimbursement of unjustifiably paid health insurance on the state budget. Moreover, it has still not started to verify the correctness of the payments for the insured persons for whom it pays contributions. All of this has a negative impact on state budget revenue.

Between 2019 and 2023, the Labour Inspectorate carried out 32,085 inspections targeting illegal employment and identified 16,109 illegally employed individuals (approximately 80% of whom were non-EU nationals). In connection with illegal employment, the authorities imposed 2,450 fines totalling **CZK 740 million**.

WITH REGARD TO ILLEGAL EMPLOYMENT, THE SAO HAS REPEATEDLY WARNED OF SYSTEMIC DEFICIENCIES IN THE ACTIVITIES OF STATE ADMINISTRATION BODIES, WHICH LIMIT THE STATE'S ABILITY TO ASSESS AND COLLECT PUBLIC REVENUES IN THE LONG TERM, AND THUS CONTRIBUTE TO SIGNIFICANT TAX EVASION.

Following this audit:

- an amendment to Act No 435/2004 Coll., on Employment, came into effect on 1 October 2025, which introduces the concept of undeclared work and imposes an obligation on employers to notify the relevant Labour Office of the Czech Republic of an employee's commencement of employment (whether a citizen of the European Union or a third-country national) prior to the date on which they actually commence work;
- on 1 July 2026, the provisions of Section 19, Articles 1 to 4 of Act No 323/2025 Coll., on the Uniform Monthly Employer Reporting, will come into force, extending the reporting obligation to employees who are citizens of the Czech Republic. The other paragraphs of that provision came into force on 1 January 2026. The Uniform Monthly Employer Reporting Act also represents a significant step forward in the fight against undeclared work and illegal employment.

CENTRALISATION OF DATA AND THEIR SHARING BETWEEN INSTITUTIONS (CSSA, FINANCIAL ADMINISTRATION, LABOUR OFFICE OF THE CR, CSO AND MoLSA) SHOULD ALLOW MORE EFFECTIVE DETECTION OF IRREGULARITIES ON THE LABOUR MARKET. SUPERVISORY BODIES SHOULD THEREFORE HAVE ACCESS TO UP-TO-DATE AND ACCURATE INFORMATION, WHICH IS ESSENTIAL FOR THE EFFECTIVE AND SYSTEMATIC PERFORMANCE OF THEIR DUTIES.

ADMINISTRATION OF COURT FEES AND JUDICIAL CLAIMS

In Audit No **24/31**, the SAO examined the administration of court fees and the enforcement of judicial claims during the 2021–2024 period. Specifically, it focused on tax-related judicial claims¹⁶ (e.g. court fees, monetary penalties, fines); the enforcement of these claims was a responsibility of individual courts until the end of 2023. The responsibility for their enforcement was then transferred from the courts to the Customs Administration of the Czech Republic (CA CR¹⁷). Revenue from court fees in 2024 amounted to **CZK 1.38 billion**, and the value of tax-related claims subject to judicial recovery in 2023 reached **CZK 7.65 billion**.

¹⁵ Audit No 18/32 – *State budget revenues collected in the field of labour taxation* (the audit report was published in Vol. 3/2020 of the *SAO Bulletin*).

¹⁶ Enforced in accordance with the procedure laid down in Act No 280/2009 Coll., the Tax Code.

¹⁷ With effect from 1 January 2024 (Act No 349/2023, amending certain acts in connection with the consolidation of public budgets).

The average success rate for the enforcement of judicial claims by the courts in 2021–2023 was 8.3%; for the Customs Administration in 2024, the figure was 8.8%. Yet the Customs Administration spent **CZK 94 million** on staff focusing on this area, i.e. **CZK 45 million** less than the average spent on addressing this issue by the courts.

The SAO found that, in some cases, the audited courts had not acted in accordance with the law when administering court fees and enforcing judicial claims¹⁸; for example, they had failed to meet one of the objectives of tax administration under the Tax Code, namely ensuring that such fees and claims were paid. Neither the MoJ nor the MoF had discovered this fact. The average success rate in recovering the above-mentioned debts was lower in the courts than at customs authorities, where it actually increased over time. This was facilitated not only by a higher degree of digitalisation and automation of procedures, but also by greater activity on the part of the customs authorities. At the same time, the cost of recovering these claims has decreased. Hence, the SAO concluded that the transfer of responsibility for the recovery of judicial claims from the courts to the Customs Administration had made the recovery of such claims more efficient. At the same time, however, the SAO pointed out that the frequency of monetary penalties had not increased following the transfer of responsibility for their enforcement to the CA CR.

In their explanatory memorandum¹⁹, the MoF and the MoJ stated that transferring the responsibility for the collection of court fees to the Customs Administration would lead to greater use of monetary penalties by courts. And subsequently, there will be a desirable reduction in the number of short-term custodial sentences and, consequently, a reduction in the prison population. After the transfer of responsibility, the number of monetary penalties imposed did not increase; on the contrary, between 2023 and 2024 it decreased by 3.2%. In comparison with other EU Member States, the proportion of monetary penalties imposed relative to the number of convicted persons in the CR was low. For example, in 2021 this proportion was just under 25%, while in Germany it was 80% and in Finland and Hungary it was 50%.

Excessive enforcement costs totalling approximately **CZK 144 thousand** were incurred, for example, by two tax entities, because the courts did not use the seized funds to pay the financial penalties.

In relation to the change in responsibilities, the MoF has adjusted the number of established posts, but without carrying out an analysis or quantifying the savings. The MoJ abolished 120 posts, while the CA CR established only 10 new posts. The courts therefore had to contend with staff shortages, and not just in the area of transferring claims to the customs authorities. Following the transfer of responsibilities, the workload of staff in the revenue administration department at customs administration increased by 67.2%. The administrative burden on staff on both sides was also exacerbated by the fact that, contrary to the fundamental principles of the Tax Code²⁰, some courts did not use the seized funds to settle monetary penalties and instead referred the claims to the customs authorities for enforcement, which also led to unnecessary enforcement costs. This happened even in cases where the debtors themselves had asked the court to settle such payments.

THE EFFECTIVENESS OF ENFORCING JUDICIAL CLAIMS WAS UNDERMINED BY THE EXISTENCE OF A COURT FEE FOR THE DISSOLUTION AND ADJUSTMENT OF LEGAL ENTITIES EX OFFICIO, WHICH IS ESSENTIALLY UNENFORCEABLE, AS THE RELEVANT LEGAL ENTITY CEASES TO EXIST²¹. ON THE BASIS OF THIS FINDING, THE SAO RECOMMENDED AMENDING THE RELEVANT PROVISION OF THE COURT FEES ACT.

¹⁸ Act No 280/2009 Coll., the Tax Code, and Act No 563/1991 Coll., on Accounting.

¹⁹ Explanatory Memorandum to Act No 349/2023 Coll.

²⁰ Pursuant to the provisions of Section 5, Article 3 and Section 7, Articles 1 and 2 of Act No 280/2009 Coll.

²¹ Section 2, Article 1(e) of Czech National Council Act No 549/1991 Coll., on Court Fees.

VALUE ADDED TAX ADMINISTRATION WITH A FOCUS ON CROSS-BORDER E-COMMERCE

Recently, the single market, globalisation, and technological changes have led to rapid growth in e-commerce, not only within the EU single market but also with regard to imports from third countries. Imports of low-value shipments worth less than **EUR 150** are growing particularly fast. According to European Commission data, **4.6 billion** such shipments were imported into the EU in 2024 alone. Compared to 2023, their number has doubled. A total of 91% of the shipments came from China. In 2021, the EU introduced a new VAT administration system for cross-border e-commerce.

In Audit No [25/01](#), the SAO examined whether the MoF, the GFD and the GDC had established an effective VAT administration system focusing on cross-border e-commerce, and how the relevant offices of the FA CR and the CA CR²² administered VAT during the period 2021–2025. Following the adoption of new rules on cross-border sales of goods to end consumers²³, the EU has introduced a new system aimed at simplifying VAT administration and customs procedures, as well as making them more transparent. In this context, the authorities of the FA CR and the CA CR allocated a minimum of approximately **CZK 395 million**²⁴ between 2021 and 2024. During the same period, under a special regime, the CR received approximately **EUR 1.28 billion** in VAT from other Member States and collected approximately **EUR 1.06 billion** on behalf of them.

The SAO has found that the new VAT administration system for cross-border e-commerce introduced at EU level, which was intended to be simpler and more transparent, contains a number of shortcomings and errors that make it difficult to detect tax evasion. Tax evasion across the e-commerce sector in the whole EU is expected to amount to EUR 10 billion a year. For example, the Financial Administration did not have reliable information to determine and verify whether entities registered under the special regime had declared and paid the correct amount of VAT, as there were problems with matching VAT payments and issues with incomplete and unreliable data in the EC's systems²⁵). The Customs Administration also lacked certain data to verify the legitimacy of the use of the so-called import regime by traders who have declared that the goods are of low value (i.e. shipments up to EUR 150). The CA CR found that 61% of the low-value shipments inspected were undervalued under the import regime, which resulted in VAT evasion. The ECA has reached similar conclusions regarding the importation of goods; see [ECA Special Report 08/2025](#).

For example, the Tax Authority for the South Moravian Region was unable to process VAT payments automatically or recover outstanding amounts from other EU Member States unless it received information from them specifying which tax returns filed under the special regime were to be settled by the payment received, or if the information contained errors. Errors had to be addressed individually with the relevant state, which was lengthy. Unmatched payments have been included in the VAT arrears. It was also difficult to trace persons not established in the CR for VAT registration purposes or to recover VAT from those registered under the special regime²⁶.

By the end of 2024, VAT arrears totalling almost EUR 55 million had been recorded in the CR among traders registered under the special arrangements.

22 Tax Authority for the South Moravian Region, Brno, the Tax Authority for the Moravian-Silesian Region, Ostrava and the Customs Office for the Central Bohemian Region, Prague.

23 From 1 July 2021, changes have been introduced to cross-border e-commerce under the EU VAT regime, implemented via Council Directive (EU) 2017/2455 (the “e-commerce package”), which was transposed into the Czech VAT Act by Act No 355/2021 Coll., amending Act No 235/2004 Coll., on Value Added Tax, as amended, and Act No 242/2016 Coll., the Customs Act, as amended.

24 These funds covered expenditure on the development and modification of information systems used by the FA CR and the CA CR, as well as expenditure on salaries relating to the administration of VAT.

25 The systems in question were: *Surveillance* and CESOP. *The Surveillance system* contains data on imports of low-value goods and their release for free circulation, which are transmitted to this system by the customs authorities of the individual EU Member States. The CESOP system is *the Central Electronic System of Payments* and is used for VAT checks in the field of cross-border e-commerce.

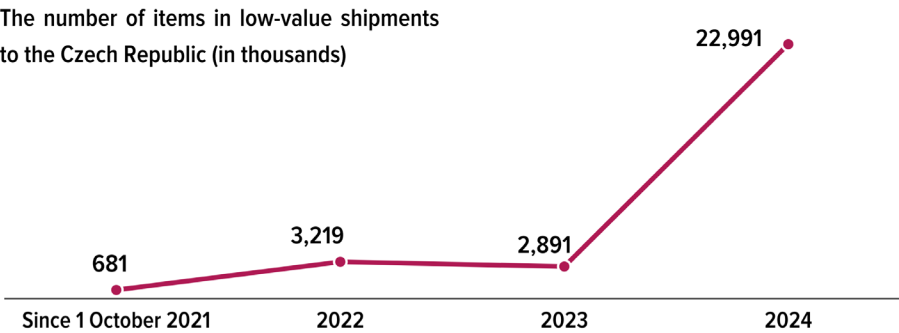
26 This regime allows sellers to declare and pay VAT on cross-border e-commerce in a single EU country and, through that country, to pay VAT to other EU countries where the seller has customers.

The CA CR did not have access to the EU Commission's register to verify the legitimacy of the use of the import regime by traders from third countries who declared *goods of low value* (up to **EUR 150**). Through random inspections, the CA CR found that one in three consignments (61%) had been incorrectly declared, thereby unjustifiably reducing the basis for calculating customs duties and VAT through the undervaluation of goods. An example of undervaluation of goods upon import was a customs declaration submitted by the declarant for goods worth **USD 100**, i.e. less than **EUR 150**. During a physical inspection, the customs officers discovered that the consignment contained gold nuggets, meaning that the total value of the consignment exceeded **USD 2,500**, which was also the amount paid by the final recipient.

THE NEW EUROPEAN VAT ADMINISTRATION SYSTEM FOR CROSS-BORDER TRADE FAILS TO ENSURE THAT THE CORRECT AMOUNT OF VAT IS COLLECTED DUE TO A NUMBER OF SHORTCOMINGS. THE FINANCIAL INTERESTS OF THE EU AND THE CZECH REPUBLIC ARE NOT SUFFICIENTLY PROTECTED.

Shortcomings in the system limit the government’s ability to assess and collect public revenues, thus contributing to significant tax evasion

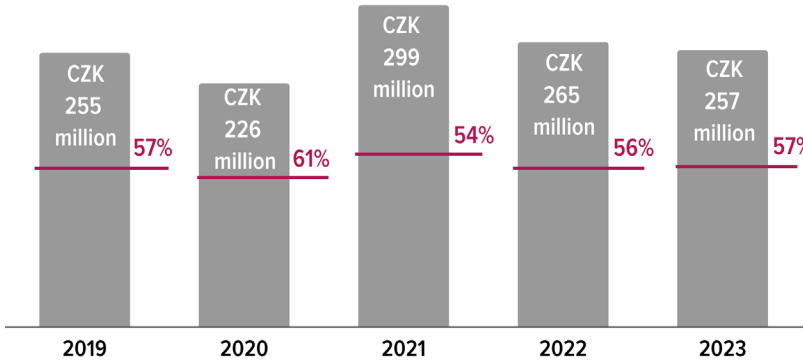
BETWEEN 2021 AND 2024, THE CUSTOMS ADMINISTRATION OF THE CZECH REPUBLIC FOUND DISCREPANCIES BETWEEN THE DECLARED PRICE AND THE ACTUAL PRICE OF GOODS IN 61% OF LOW-VALUE SHIPMENTS, WITH IMPORTERS SEEKING TO UNLAWFULLY REDUCE THE BASIS FOR CALCULATING CUSTOMS DUTIES AND VAT.



INADEQUATE LEGISLATIVE REGULATION AND A LACK OF COORDINATION AMONG THE RESPONSIBLE AUTHORITIES HAVE RESULTED IN THE STATE BEING UNABLE TO EFFECTIVELY COMBAT ILLEGAL EMPLOYMENT.



Overview of fin es imposed by the State Labour Inspection Office and the proportion of fin es related to illegal employment



4. AUDITS CONCERNING GOVERNMENT SPENDING

4.1 DIGITALISATION AND EFFICIENT PUBLIC ADMINISTRATION

Digitalisation of public administration in the Czech Republic has long been presented as a key instrument for increasing the accessibility, efficiency, and quality of public services. Although the basic legal and technological prerequisites for its development have existed for many years, the actual state of digitalisation across public administration services remains uneven, and its benefits are only partially reflected in practice. Digitalisation projects are frequently implemented in isolation, within individual ministries and sectors, and without sufficient connection to the internal processes of public authorities, which limits their real impact on the functioning of public administration as well as on citizens' user experience.

According to the original plans, 2025 was supposed to become a year of major expansion in the portfolio of digital public services for citizens, particularly in the area of fully electronic submissions, digital handling of life events (such as the birth of a child or a change in the permanent address), and centralised communication through the *Citizen's Portal* (*Portál občana in Czech*). This expectation, however, did not come to fruition. The state failed to meet the commitment arising from the Act on the Right to Digital Services²⁷, according to which citizens should have the right to use state services digitally. As a result of a deputies' motion, the effective date of this Act was postponed by two years, until January 2027. Even this postponement, however, may not be final if the persistent systemic problems of eGovernment are not resolved.²⁸

Developments in 2025 once again confirmed citizens' interest in using digital channels and newly introduced digital services. The state's offering, however, has long failed to match this demand either in scope or in quality. Digital services are available unevenly, vary in their user-friendliness, and in many cases digitalisation merely replicates existing paper-based procedures. At the same time, it has become increasingly clear that the introduction of self-service digital channels – particularly administrative portals using electronic identification and pre-filled forms – does not deliver the expected increase in public administration efficiency unless the public authorities themselves have first been adequately digitalised.

Key components of the digital construction permit proceedings either failed to function or were user-unfriendly, leading construction authorities to revert to their original decentralised systems. Although the Developer's Portal (*Portál stavebníka in Czech*) allowed applications to be submitted electronically, it did not enable real-time tracking of the proceedings or the sharing of documentation among relevant authorities.

The whole of 2025 was marked by efforts to mitigate the consequences of the failed digitalisation of construction proceedings. Not only did the project fail to deliver the declared acceleration of permitting processes, but it temporarily paralysed the operation of construction authorities. The forced return to decentralised information systems at the level of individual authorities represents a missed opportunity for the systemic modernisation of this administration area, including in relation to the resources drawn from the *National Recovery Plan* (NRP). In practice, this meant that for applicants, electronic submissions often did not result in faster processing, and many procedures still had to be handled outside the digital environment.

At the same time, state budget resources and funds of the European Union were invested in the development of other key areas of digitalisation in public administration. These included, in particular, the development of the system of basic registers, improvements in the governance of digitalised services including the establishment of central data infrastructure, and the expansion of topic-based administrative portals. In addition, a significant share of support from the NRP (**CZK 1.14 billion**) was directed towards projects focused on the digitalisation of healthcare, especially the introduction of shared medical documentation, the development of electronic patient health records, and the interconnection of information systems used by healthcare providers, with implementation planned for 2026.

Despite the overall critical assessment by the Supreme Audit Office regarding the pace and effectiveness of digitalisation, several partial positive developments could also be identified in 2025. One example is

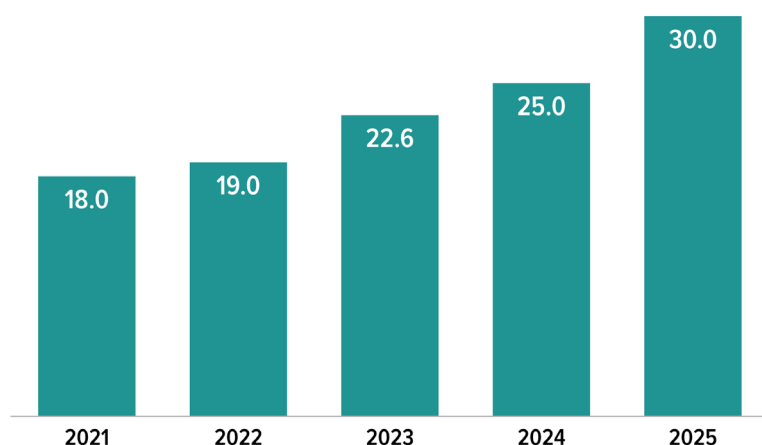
²⁷ Act No 12/2020 Coll., on the Right to Digital Services.

²⁸ The SAO described and explained the barriers to the successful digital transformation of public administration in its *Second Comprehensive Report on the Digitalisation of Public Administration*, which focused on the period 2020–2024. Available online [HERE](#).

the Firearms and Ammunition Act²⁹, which, effective from January 2026, abolished the physical firearms licence and firearm registration certificate. The right to possess a firearm is now linked to firearms authorisation recorded in the Central Firearms Register, which will also be accessible to the licence holders through electronic identification. At the same time, holders of firearms authorisations are no longer tied to the territorial jurisdiction of a specific office of the Police of the Czech Republic when dealing with majority of matters concerning the legal possession of a firearm.

The long-term increase in spending on information and communication technologies in public administration was also reflected in improvements in selected indicators of the DESI index within international comparisons. In 2025, the Czech Republic achieved its best result in this assessment over the past eight years. These partial improvements, however, do not in themselves alter the fact that without consistent governance of digitalisation, clearly defined accountability, and a systematic focus on users – both citizens and public officials – the potential of public administration digitalisation will remain unfulfilled.

Chart 17: ICT expenditures of state organisational units and state funds between 2021 and 2025 (CZK billion)



Source: Integrated Information System of the State Treasury, selected budget items of the state budget.

The impact of the public administration digitalisation on the quality of services provided to citizens and on support for public officials' work was the subject of six audits completed in 2025:

- the *Electronic Collection of Laws and International Treaties (e-Collection) and Electronic Legislation (e-Legislation) project* (Audit No [24/04](#));
- development of digital technical maps (Audit No [24/07](#));
- information support for visa services (Audit No [24/26](#));
- funds spent in connection with the professionalisation and improvement of the quality of the civil service and the performance of the civil service (Audit No [24/28](#));
- funds under the management of the State Institute for Drug Control (Audit No [24/25](#))³⁰;
- funds under the management of the Labour Office of the Czech Republic (Audit No [24/32](#))³¹.

29 Act No 90/2024, on Firearms and Ammunition.

30 The audit is assessed in the thematic section on healthcare (see Chapter 4.5 of this Annual Report).

31 The audit is assessed in the thematic section on social policy and employment (see Chapter 4.4 of this Annual Report).

THE E-COLLECTION AND E-LEGISLATION PROJECTS

In Audit No [24/04](#), the SAO examined how the Ministry of the Interior managed funds allocated between 2017 and 2023 for the preparation, implementation, and operation of the eSeL project [*Electronic Collection of Laws and International Treaties (e-Collection) and electronic drafting of legal regulations (e-Legislation)*] as part of digitalisation of the legislative process. The audit focused primarily on contracts and services related to the development, operation, and further enhancement of the e-Collection system, as well as on the digitalisation and verification of legal regulations, including their connection to the e-Legislation system. The Ministry of the Interior spent a total of **CZK 903 million** on these activities.

While the e-Collection was launched with a four-year delay, the full roll-out of e-Legislation has been pushed back to 2027 due to repeated postponements, which is almost a decade since the eSeL project began.

The audit found that the implementation of the eSeL project was burdened by serious shortcomings in the Ministry's management, which resulted in a substantial extension of the implementation period and a significant increase in costs. During the SAO's audit, the Ministry extended the project from the originally planned three years to nine, while its budget increased from CZK 482 million to CZK 903 million. Despite this increase in costs, the key objectives of the digitalisation of the legislative process were not achieved, and the state was forced to rely for an extended period on substitute technical solutions dependent on external suppliers.

At the same time, the launched part of the e-Collection system failed to deliver some of its expected benefits. In particular, it did not provide users with clear and unambiguous information on the valid and effective wording of legal regulations, not all project parameters were fulfilled, and the system was not continuously available to users throughout the audited period.

The failure to launch the e-Legislation system within the planned timeframe, together with repeated legislative postponements, meant that even after 2019 the MoI had to continue ensuring the digitalisation and verification of newly issued legal regulations through external suppliers in order to maintain the operation of the e-Collection system. According to the project documentation, legal regulations were supposed to have been created and processed entirely in electronic form directly within the e-Legislation system from 2020 onward. As a consequence of these delays, by the time of the audit the Ministry had paid external organisations **CZK 43.4 million** for the digitalisation of legal regulations and an additional **CZK 26.5 million** for their verification. These expenditures will continue, depending on the volume of legislative outputs, until the e-Legislation system is fully operational.

THE SAO FOUND THAT THE ESEL PROJECT, ORIGINALLY PLANNED FOR THE PERIOD 2017–2020 WITH A BUDGET OF CZK 482 MILLION, HAD BEEN EXTENDED TO NINE YEARS AND ITS COSTS HAD INCREASED SIGNIFICANTLY, WHILE FULL FUNCTIONALITY IS NOT EXPECTED UNTIL 2027. OF THE TWO PLANNED COMPONENTS OF THE SYSTEM, ONLY E-COLLECTION HAS BEEN IN OPERATION SINCE 2024, WHEREAS E-LEGISLATION HAS NOT YET BEEN LAUNCHED IN ITS FULL SCOPE.

DIGITAL MAPS

In Audit No [24/07](#), the SAO examined how state and European Union funds had been spent on the creation and development of the system of digital technical maps, including related information systems. Digital technical maps are intended to serve as a central source of spatial data on technical infrastructure and territory, enabling public authorities and other users to carry out more accurate spatial planning, prepare construction projects, coordinate investments, and improve the efficiency of public administration. The audit focused on the system of regional digital technical maps (DTM), including the digital map of public administration (DMPA). This system is intended to integrate land registry maps and orthophoto imagery of the Czech Republic for the needs of public administration users and other entities. The audited period covered the years 2014 to 2024.

The audit showed that the digital technical map system had been built at a cost exceeding CZK 3 billion; however, its benefits for public administration and other users remained limited. A total of 12 separate DTM information systems with similar functionalities were created, despite the original objective of establishing a unified and reliable source of data.³² The data contained within the system were neither complete nor sufficiently accurate, which substantially reduces their usability and will require further significant financial expenditure.

The SAO found that the data recorded in the DTM system were incomplete and unreliable: information from more than half of the owners identified by the Czech Office for Surveying, Mapping and Cadastre was missing from the system, and most of the audited data failed to meet the required accuracy standards. Improving the situation will require additional expenditures by owners of transport and technical infrastructure amounting to several billion Czech crowns, partly supported through the NRP.

The contribution of the DTM system to supporting the deployment of high-speed electronic communications networks during the 2014–2020 programming period was negligible, as the system was not used in practice to an extent corresponding to its intended purpose and failed to deliver the expected simplification of investment preparation and coordination. The SAO therefore concluded that funds amounting to **CZK 3.14 billion** had been spent on the digital technical map system with reduced effectiveness, of which **CZK 2.89 billion** had been allocated to the digital technical map system and **CZK 246.65 million** to the digital map of public administration.

THE SAO AUDIT SHOWED THAT COMPLETING THE DIGITAL TECHNICAL MAP SYSTEM WILL REQUIRE ADDITIONAL FINANCIAL RESOURCES FOR THE ACQUISITION OF NEW DATA AND THE IMPROVEMENT OF THE ACCURACY OF EXISTING DATA ON TRANSPORT AND TECHNICAL INFRASTRUCTURE. THE FUNDS ALLOCATED FOR THESE PURPOSES FROM THE NRP, AMOUNTING TO CZK 1.68 BILLION, MAY THEREFORE NOT REPRESENT THE FINAL AMOUNT REQUIRED. IN THIS CONTEXT, THE SAO WARNED THAT REMAPPING OF AREAS THAT HAD ALREADY BEEN DIGITALISED CREATES A RISK OF DOUBLE FINANCING.

Based on the audit findings, the SAO recommended adopting corrective measures aimed at:

- ensuring the registration of relevant entities and the submission of reliable and complete data on transport and technical infrastructure into the digital technical map system;
- establishing rules for harmonising the approach of infrastructure owners to the classification and designation of technical infrastructure data within the DTM system.

VISA SERVICES INFORMATION SYSTEMS

In Audit No [24/26](#), the SAO examined how state funds were spent on information support for visa services and other consular activities. The objective of these expenditures was to ensure the secure, reliable, and efficient performance of visa administration, accelerate the processing of applications, and improve data sharing between the institutions involved. The audit focused on the information systems of the Ministry of Foreign Affairs (MoFA) and the Ministry of the Interior (Mol), both of which participate in visa administration and related consular services. The MoFA manages diplomatic missions, carries out consular services including issuing visas, granting residence permits for foreigners, and administering travel documents, and issues diplomatic and service passports. The Ministry performs consular activities at 86 diplomatic missions.

32 Regional DTMs constitute an exercise of delegated state administration powers that fall within the responsibility of the regions. According to data from the Mol concerning the structure of state budget contributions for delegated state administration, individual regions (acting as DTM administrators) received nearly CZK 334 million between 2023 and 2025. Part of these funds also covered the operation of the decentralised regional DTM infrastructure.

As early as 2012, the MoI identified the need to amend the Foreign Nationals Act and the relevant information system responsible for processing long-term visas. It took 11 years for the draft amendment to be submitted, in parallel with preparations for the project to build a new system. Due to the unfinished legislation, funding for the project from the NRP has been discontinued, and the implementation of the new system is thus postponed indefinitely.

The audit findings showed that the information support for visa and other consular services had long been inefficient, user-unfriendly, and insufficiently digitalised. The information systems of the MoFA and the MoI were neither interconnected nor sufficiently integrated with related systems, resulting in manual data processing and the continued use of paper documents and commercial courier services. Deficiencies in the management of the development and modernisation of these information systems prolonged the unsatisfactory situation and increased operating costs without achieving the expected benefits.

The SAO found that the MoFA had spent **CZK 67.1 million** on support and development of information systems for visa and consular services with reduced efficiency, primarily due to the low level of process digitalisation, the lack of interoperability between systems, and the need for manual entry or copying of data. This situation was caused by shortcomings in the management of projects intended to improve information support in these areas, whose total financial volume exceeded **CZK 500 million**.

In the area of travel documents, the MoFA acquired a new information system in 2022 at a cost of **CZK 126.7 million**, which was put into operation in October 2023. However, the operation of the original system was not terminated, and its continued operation was secured through a new contract. As a consequence, total annual operating costs in this area increased twenty-two-fold to **CZK 25.9 million**, despite the fact that the scope of the administrative tasks itself remained unchanged.

The new information system was deployed on time at only 12 out of a total of 86 embassies, and even nine months after the planned date it had still not been implemented at all locations. The date for terminating the operation of the old system could not be determined. This represents a risk of inefficient use of public funds.

THE MOI AND THE MOFA CONTINUED TO OPERATE OUTDATED INFORMATION SYSTEMS DUE TO SHORTCOMINGS IN THE MANAGEMENT OF NEW PROJECTS AS WELL AS UNPREPARED LEGISLATION. THE CONSEQUENCES INCLUDED INCREASED COSTS FOR MAINTAINING LEGACY SYSTEMS WHILE SIMULTANEOUSLY FINANCING NEW PROJECTS IN PARALLEL, TOGETHER WITH THE UNNECESSARY BURDEN PLACED ON EMPLOYEES OF BOTH MINISTRIES THROUGH THE MANUAL DATA TRANSCRIPTION.

PROJECTS FOR PROFESSIONALISATION AND IMPROVEMENT OF THE QUALITY OF THE CIVIL SERVICE

In Audit No [24/28](#), the SAO examined how nearly CZK 900 million in state funds had been spent in connection with the professionalisation and improvement of the quality of the civil service and public administration. The audit focused primarily on the activities of the MoI in its role as coordinator of the civil service, for example its responsibility for introducing quality management within civil service authorities. The audit also covered projects financed for this purpose, including the project *Promoting the professionalisation and quality of the civil service and state administration* (PROAK), which aimed, among other things, to support the introduction of quality management tools, improve the professional expertise of civil servants, and digitalise civil service examinations and training within public authorities. The use of the *Civil Service Information System* (CSIS) and related follow-up projects was also reviewed.

The SAO audit demonstrated that the funds expended did not lead to the expected improvement in the quality and professionalisation of the civil service. Public authorities failed to introduce the required minimum level of quality management within the prescribed deadline. The MoI also failed to establish a functional system for the continuous evaluation and measurement of civil service perfor-

mance. This situation was linked, among other things, to the ministry's failure to consistently fulfil its role as the civil service coordinator. Although the Ministry drew funding for methodological support, information systems, and other project activities, the impact of these activities remained limited and produced no measurable benefits for public administration as a whole.

Within the PROAK project, the Mol was supposed to provide methodological support to public authorities in implementing the minimum level of quality management. However, 51 out of 84 authorities failed to meet this obligation within the set deadline, including the Ministry itself, which, as the responsible coordinator, achieved the third worst result. Although the Mol produced methodological materials, these did not lead to the expected improvement in quality management, and there was a significant decline in activities in this area after the project ended. At the same time, the Ministry failed to ensure an effective mechanism for monitoring the state of quality management across public authorities after the project ended.

The Mol has not implemented a system for continuous evaluation and measurement of civil service performance. Of the original 114 indicators, the Mol regularly monitors only 15, which limits its ability to coordinate the professionalisation of the civil service and improve its quality on the basis of relevant data.

As part of the PROAK project, the Ministry developed the eExam application (*eZkouška in Czech*) for electronic support of civil service examinations, spending more than **CZK 21.8 million**. Although the application was launched in 2019, its use was limited after the completion of the PROAK project, and its operation was fully terminated as of 30 November 2023. The general part of the civil service examination is therefore once again conducted predominantly in paper form, despite additional expenditures exceeding **CZK 800 thousand** on modifications of related functionalities within CSIS.

Between 2015 and 2024, the Mol spent up to **CZK 640 million** on the creation, development, and operation of the CSIS. The system serves primarily as a registry database, drawing much of its data from other systems, while many records continue to be entered manually. At the same time, the Ministry uses CSIS data only to a limited extent for the purposes of improving professionalism and enhancing the quality of the civil service. Much of the information required for evaluating the civil service is instead collected by the Mol through questionnaires.

The Mol also implemented projects financed from the NRP and the state budget that, however, had no impact on the civil service as a whole. The project *Creation of the civil service development action plan*, with a budget of **CZK 35.9 million**, did not result in the mandatory use of the competency frameworks that had been developed. The *Employee Portal* project, with a budget of **CZK 101.3 million**, was intended to digitalise personnel administration and create self-service functions for employees. However, it was designed only for 3,200 employees of the Mol and two of its subordinate organisations – approximately 18% of the Ministry's workforce – without delivering broader benefits for the civil service or public administration as a whole.

AUDIT FINDINGS RELATED TO DIGITALISATION FROM OTHER AUDITS³³

In Audit No [24/25](#), the SAO focused on how the State Institute for Drug Control (SIDC) managed state funds spent on the acquisition of assets and services, including related public procurement contracts. Among other issues, the audit examined the operation of the ePrescription system (*eRecept in Czech*), for which the institute is, under the Pharmaceuticals Act³⁴, responsible as founder, administrator, and operator. The SAO found that the SIDC incurred disproportionately high operating costs for the ePrescription system, particularly for sending prescriptions via SMS, despite the existence of more cost-effective digital alternatives. In 2024, the SIDC paid more than **CZK 33 million** for SMS prescriptions, representing almost one fifth of its total operating expenditures. At the same

In 2024, only **0.34%** of prescriptions were issued via the e-Prescription app, but almost **65%** were issued via SMS. Wider use of the app would result in significant savings in the SIDC's operating costs for SMS prescriptions. However, the SIDC did not launch a campaign to promote the use of the mobile app until 2025, i.e. five years after its launch.

³³ Audits are described separately in other thematic sections of this Annual Report.
³⁴ Act No 378/2007 Coll., on Pharmaceuticals.

time, the number of SMS prescriptions increased from 28.5 million in 2020 to nearly 56 million in 2024, and their share among all issued electronic prescriptions reached almost 65%.

In 2024, the average processing time for online applications for state social support benefits was longer than for applications submitted in person at the offices of the LO CR. For example, in the case of housing allowance, it took an average of 30 days to process an online application, whereas applications submitted in person took only 18 days.

In Audit No [24/32](#), the SAO reviewed the performance of the Labour Office of the Czech Republic (LO CR), focusing on the fulfilment of objectives aimed at improving organisational efficiency and enhancing the quality of services provided. The audit also addressed the digitalisation of selected parts of administration of non-insured social benefits and employment support instruments, including the use of the JENDA application, which enables Labour Office clients to submit benefit applications electronically and communicate with the authority online. The SAO found that the digitalisation of these tasks had not yet delivered the expected improvements in employee efficiency or a substantial enhancement in targeted support for persons at risk in the labour market. Although the development of digital tools – particularly the JENDA application – improved convenience for approximately **one third** of Labour Office clients, the contribution of these tools to accelerating administrative processes remained limited and, in some cases, created additional burdens for Labour Office employees. Improvements in selected performance indicators were achieved primarily through changes in organisational management rather than through digitalisation itself.

IMPACT OF ONE OF THE PREVIOUS SAO AUDITS CONCERNING PUBLIC ADMINISTRATION DIGITALISATION

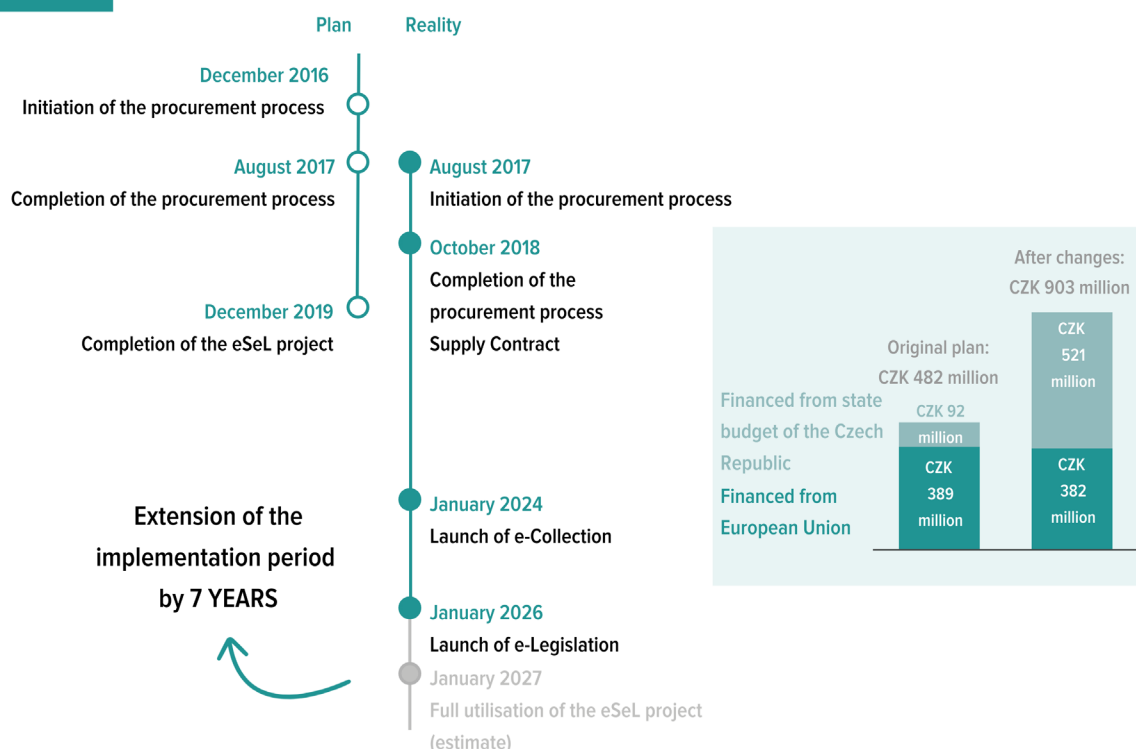
Audit No [22/20](#)³⁵, focused on the fulfilment of selected objectives of the *National eHealth Strategy*, pointed to insufficient progress in the implementation of key elements of healthcare digitalisation, particularly in the areas of data standardisation, project management, and coordination among the entities involved. Based on the audit findings, measures aimed at accelerating the implementation of priority eHealth projects were adopted. The practical impact of the measures is expected to become apparent in 2026, including through the introduction of electronic referral requests, for example for examinations provided by healthcare service providers.

35

Audit No 22/20 – *Funds spent on the implementation of selected objectives of the National e-Health Strategy* (the audit report was published in Vol. 4/2023 of the SAO Bulletin).

Investments into digitalisation of public administration do not correspond to the benefits, and the project implementation is long-winded

THE MINISTRY OF THE INTERIOR HAS EXTENDED THE IMPLEMENTATION OF THE E-COLLECTION AND E-LEGISLATION PROJECTS BY 7 YEARS, DOUBLING THE BUDGET TO NEARLY CZK 1 BILLION.



SHORTCOMINGS IN THE MANAGEMENT OF PROJECTS BY THE MoI AND THE MoFA, FOCUSED ON INFORMATION SUPPORT FOR VISA AND CONSULAR SERVICES AMOUNTING TO OVER CZK 500 MILLION, LED TO REPEATED DELAYS IN THEIR COMPLETION.



Plan



Reality

”

The inability to implement new systems leads to, among other things, high operating costs, manual copying of data, and the use of commercial couriers for sending documents.

0 out of 5

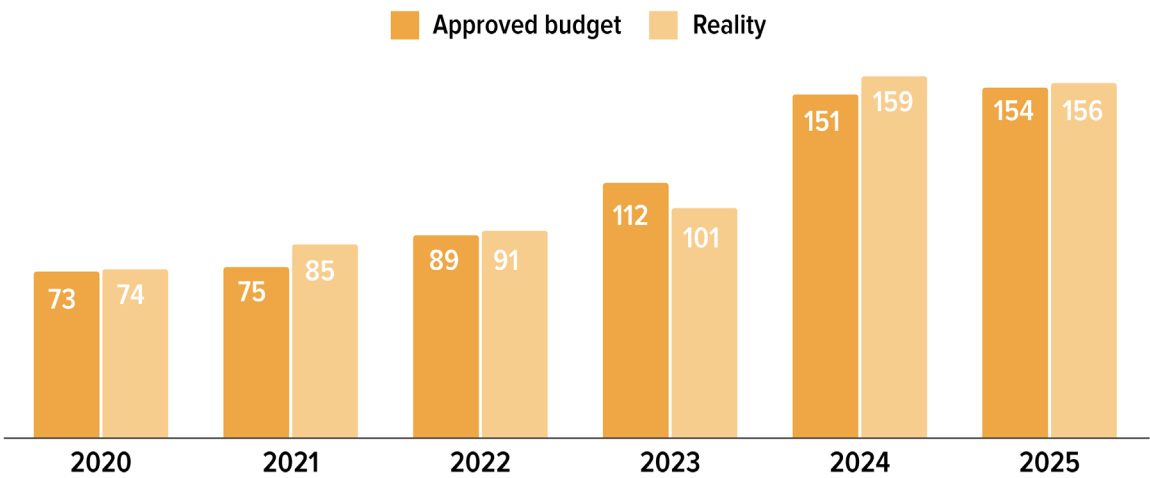
None of the five information systems designed to support visa services and other consular activities has been completed, and there is no realistic timeline for their implementation.

4.2 INTERNAL SECURITY AND DEFENCE

Defence and security remained highly relevant for the citizens of the Czech Republic in 2025. The deteriorating security situation in Europe and the Middle East highlighted the need to strengthen the capabilities of the armed forces of the EU and NATO member states. The Czech Republic has been actively participating in these efforts and strengthening defence capabilities and ensuring the operational readiness of the Czech Armed Forces (CAF) are considered key prerequisites for fulfilling allied commitments and for protecting the country’s own citizens. Ensuring that the CAF possess the necessary capabilities and preparedness to respond to current and future security challenges is therefore essential.

The budget of the Ministry of Defence (MoD) for 2025 amounted to **CZK 154.4 billion**³⁶, representing an increase of **CZK 81.8 billion** compared to 2020, when the budget stood at **CZK 72.6 billion**³⁷. Under the commitments already adopted, the growth in defence spending is expected to continue in the coming years. In March 2025, the government decided³⁸ to increase defence expenditures for the period 2026–2030 beyond the framework established by the Defence Financing Act, which sets a minimum level of 2% of GDP, with the objective of reaching 3% of GDP by 2030. Subsequently, NATO member states recommended increasing defence expenditures to as much as 5% of GDP by 2035, of which 3.5% of GDP would be channelled directly through the MoD budget, while the remaining 1.5% of GDP would be directed towards related investments, particularly in infrastructure, the defence industry, civil preparedness, and strategic reserves. The Council of the European Union also relaxed fiscal rules³⁹ in order to allow member states a gradual transition towards higher defence spending while maintaining sustainable levels of public debt.

Chart 18: Budget and spending of Chapter 307 – Ministry of Defence (CZK billion)



Source: Closing accounts of chapter 307 – MoD for 2019–2025.

The financial manoeuvring room available for ensuring the capabilities of the CAF is therefore significantly broader today than in the past. According to the SAO, this increases the risk of ineffective, uneconomical, and inefficient use of public funds. The SAO is actively addressing these risks and places strong emphasis on thorough oversight of how these expenditures are used. Simply increasing the defence budget is not sufficient if it does not deliver concrete and measurable results in the development of defence capabilities. The resources expended must lead to the strengthening of defence capacities and the operational readiness of the CAF. This is essential for achieving the long-term defence policy objectives and ensuring the security of the Czech Republic. At the same time, achieving

36 Act No 434/2024 Coll., on the State Budget of the Czech Republic for 2025.
37 Act No 355/2019 Coll., on the State Budget of the Czech Republic for 2020.
38 Resolution of the Government of the Czech Republic No 153 of 5 March 2025 on Increasing the Czech Republic’s State Budget Expenditure on National Defence for the Years 2026 to 2030.
39 Council Recommendation allowing Czechia to deviate from the maximum growth rates of net expenditure as set by the Council under Regulation (EU) 2024/1263 (Activation of the national escape clause).

these goals requires fundamental structural changes, particularly greater efficiency and simplification of planning and procurement processes throughout the entire organisational structure of the Ministry.

In 2025, the SAO completed three audits in the area of defence and security. These covered:

- funds spent by the Ministry of Defence on training centres of the Czech Armed Forces (Audit No [24/12](#));
- funds spent by the Ministry of Defence on air defence (Audit No [24/27](#))⁴⁰;
- funds earmarked for the protection of soft targets (Audit No [24/33](#)).

AIR DEFENCE

The audit report from Audit No [24/27](#), focusing on air defence, was drawn up as a classified document. The SAO recommends that all authorised persons and bodies take note of the audit findings and familiarise themselves thoroughly with the SAO audit report. The principal impact of the audit has been the inclusion of strengthening the Czech Republic's air defence among the key measures at both the highest political level and within the defence sector itself. In the government's policy statement of January 2026, air defence was identified as one of the priority areas. Moreover, the MoD considers the strengthening of air defence to be one of the principal objectives in developing the capabilities of the Czech Armed Forces.

TRAINING CENTRES OF THE CZECH ARMED FORCES

Ensuring the defence capability of the state requires not only the acquisition of new and modern equipment, but also adequate capacities and capabilities for high-quality military training. The importance of training for combat readiness is also confirmed by the current conflict in Ukraine. For these reasons, the SAO carried out Audit No [24/12](#), aimed at examining how the MoD had spent funds allocated to CAF training centres in the 2019–2023 period.

During this period, the Ministry spent a total of **CZK 11.3 billion** on the operation of training facilities subordinate to the Training Command – Military Academy in Vyškov.

The SAO found that the training base of the CAF has long failed to meet current needs. Although the Ministry invested nearly CZK 1.8 billion in its modernisation between 2019 and 2024, frequent changes or cancellations of investments resulted in increased operating costs for outdated facilities and reduced the training effectiveness. The CAF lack sufficient modern simulators and training systems, including interoperability with NATO systems. Due to the failure to build a driver training centre, the CAF were forced to rely on civilian driving schools. At the same time, some training centres were not used to their full capacity. Of the 14 selected facilities, six showed an average use rate below 50% (between 31% and 47%), whereas eight facilities were used at a rate of 56–98%. Since the CAF do not operate a centralised system for collecting information on training results, they are unable to manage training effectively. This limits the use of acquired experience, increases the risk of repeating mistakes in future training, and reduces the effectiveness and efficiency of expenditures on training facilities.

Out of 80 investment projects planned for training centres between 2017 and 2026, the MoD cancelled or postponed 54, representing 67% of all planned projects⁴¹. Construction delays also affect garages in Práslavice and Bučovice, meaning that new infantry fighting vehicles will have to be temporarily stationed in Vyškov, increasing transportation and logistics costs. In addition, the MoD halted the planned construction of a training centre in Radošov intended for vehicle operation and the basic training of soldiers⁴².

Deliveries of infantry fighting vehicles are scheduled to begin in 2027, although the garages in Bučovice, for example, will not be completed until 2033.

40 It is not possible to disclose detailed information on the results of this audit, as the audit report contains information covered by the Act on the Protection of Classified Information and on Security Clearance.

41 According to Supplement No 2 to Program 107 080 – *Land Forces Strategic Program of the Czech Armed Forces*, prepared in 2024.

42 The planned centre was due to be completed in 2023 and would have been capable of training up to 2,000 soldiers a year.

The MoD monitors training expenditures only in relation to exercises with international participation. It does not track expenditures for other military exercises and training activities. At the same time, the Ministry lacks centralised information on training outcomes – achieved objectives and key performance indicators are recorded only in various documents and databases maintained by individual units. Although the Ministry has introduced a *Lessons Learned* process for obtaining feedback and applying operational experience, only 17% of the identified lessons resulted in measures that actually improved the performance or capabilities of the CAF. The fragmented system of collecting and evaluating information therefore prevents effective management of military training.

Failure to meet recruitment targets also threatens the Czech Armed Forces' ability to operate newly acquired equipment. At the time of the SAO audit, for example, specialists for artillery systems and infantry fighting vehicles were lacking.

THE EXISTING TRAINING CAPACITIES DO NOT ALLOW FOR COMPREHENSIVE TRAINING OF SOLDIERS IN LINE WITH CURRENT THREATS AND INTEROPERABILITY REQUIREMENTS WITHIN NATO. THIS IS REFLECTED IN THE LIMITED READINESS OF THE CZECH ARMED FORCES FOR REAL DEPLOYMENT AND IN A REDUCED ABILITY TO COOPERATE EFFECTIVELY WITHIN THE ALLIANCE FRAMEWORK.

SAO recommendations:

The SAO recommended that the MoD continue the modernisation of training centres, systematically monitor expenditures and indicators related to training, make optimal use of the database of lessons learned from training and deployments, and ensure high-quality training both for newly recruited soldiers and for the retraining of existing specialists.

IN RESPONSE TO THE FINDINGS OF THIS AUDIT:

- The MoD proposed 21 measures aimed at increasing the combat readiness of the Czech Armed Forces through the modernisation of training centres and the development of simulators and training systems accompanying the introduction of new equipment, such as infantry fighting vehicles and tanks. In 2025 alone, projects amounting to **CZK 930 million** had already been implemented. Investments will be directed not only towards the acquisition of these technologies, but also towards the construction of related infrastructure, for example facilities for infantry fighting vehicles in Přáslavice (**CZK 7.5 billion**) and the Radošov training centre (**CZK 9.9 billion**).
- In the area of lessons learned and the use of operational experience, the Ministry will acquire a new central database intended to improve the efficiency of training management.
- To address the shortage of soldiers, legislative measures were adopted, including an amendment to Act No 99/2025 Coll.⁴³, supporting the recruitment of professional soldiers as well as members of the active reserve forces, and a new recruitment website was launched⁴⁴. These changes contributed to the CAF meeting their recruitment target for 2025.

IMPACTS OF PREVIOUS SAO AUDITS IN THE FIELD OF DEFENCE

Following Audit No [23/03](#)⁴⁵, the MoD is implementing 12 measures aimed at strengthening the capabilities of the chemical corps. In 2025, it increased funding for key projects and plans further expenditures of approximately **CZK 150 million** for 2026. The Ministry concluded long-delayed contracts for chemical detection equipment, protective clothing, and decontamination kits. Among the principal impacts of the audit is the completion of a science and research facility at the Biological Protection Centre in Těchonín. Its completion in 2026 will ensure the full operational capability of the site with the highest biosafety level, the gradual reinforcement of specialist personnel, and the achievement of the required capabilities of the Czech Armed Forces in the field of biological protection.

⁴³ Act No 99/2025 Coll., amending Act No 221/1999 Coll., on Professional Soldiers, as amended, and certain other acts.

⁴⁴ See <https://doarmady.mo.gov.cz/>.

⁴⁵ Audit No 23/03 – *State budget funds spent by the Ministry of Defence on radiation, chemical and biological protection* (the audit report was published in Vol. 1/2024 of the *SAO Bulletin*).

In response to the findings of Audit No **23/08**⁴⁶, the MoD is implementing 15 measures intended to ensure the required capabilities of the engineering corps. The Ministry newly defined the needs of the CAF and clarified procurement priorities for military equipment. It launched key projects whose absence had been highlighted by the SAO, including pontoon bridge systems, wheeled bridge transporters, engineering loaders, and universal wheeled platform vehicles with ballistic protection, with a total value of approximately **CZK 13 billion**. For comparison, expenditures on military equipment procurement between 2010 and 2022 amounted to only **CZK 0.3 billion**. The investments also concern real estate infrastructure, for example the construction of a military equipment facility at the Bechyně garrison. The Ministry has furthermore strengthened planning and optimisation of life-cycle costs for military materiel and incorporated this issue into lifelong learning programmes at the University of Defence in Brno as well as into training courses for the CAF officers.

Following Audit No **23/30**⁴⁷, the MoD declared the implementation of 23 measures, primarily in the areas of real estate management, the provision of military equipment, and the operational readiness of armoured vehicles. In the area of real estate management, the measures focus on strengthening oversight mechanisms, verifying investment plans, and increasing capacities for the initiation and implementation of construction projects. The MoD will also carry out an analysis of the usability of military facilities and evaluate the achievement of infrastructure development objectives. In the area of military equipment supply, the measures include replenishing stock reserves, completing the ordering system, introducing parcel delivery services, updating equipment requirements, and regularly evaluating stock levels. With regard to armoured vehicles, the measures concentrate on increasing staffing levels within maintenance and repair capacities, commencing the construction of a new multifunctional repair facility in Jaroměř, concluding contracts for maintenance support, and improving the efficiency of the logistics information system.

PROTECTION OF SOFT TARGETS

Soft targets are publicly accessible locations with a high concentration of people and limited security. Their vulnerability became tragically apparent during the attack at the Faculty of Arts of Charles University, which resulted in multiple fatalities. The Ministry of the Interior (Mol), as the authority in charge of the soft target protection (STP), is responsible for this area. For this reason, the SAO carried out Audit No **24/33** to verify whether funds allocated for the protection of soft targets had been spent effectively and in accordance with legal regulations.

The audit followed up on Audit No **21/21**⁴⁸, in which the SAO concluded that since 2017 the Ministry of the Interior had failed to establish a functional national system for the protection of soft targets capable of ensuring preparedness for terrorist or similar attacks. The Ministry rejected these conclusions;⁴⁹ however, the nature and seriousness of the identified deficiencies subsequently led the Audit Committee of the Chamber of Deputies of the Parliament of the Czech Republic to submit a request to the Supreme Audit Office at the beginning of December 2023⁵⁰ for a follow-up audit.

In Audit No **24/33**, the SAO reiterated that even after eight years the Mol had still not created a functioning national system for the protection of soft targets. The Ministry had therefore still failed to fulfil the valid objective of the *Soft Targets Protection Strategy for 2017–2020*, according to which a substantial proportion of soft targets should have been prepared to respond to a potential attack. The Mol failed to perform its coordinating role, particularly in the areas of financing and strategic policy development, and it did not evaluate the fulfilment of the objectives set out in the soft target protection concept. The concept also included non-investment programmes implemented by the Mol, the MoC, and the MoH. However, after these programmes ended in 2021, support for soft target protection was discontinued, and the permanent advisory body of the Mol also ceased functioning. A follow-up strategic document began to be prepared only after the attack at the Faculty of Arts of

46 Audit No 23/08 – *State funds spent by the Ministry of Defence on the engineering troops of the Army of the Czech Republic* (the audit report was published in Vol. 3/2024 of the *SAO Bulletin*).

47 Audit No 23/30 – *Management of the state property and spending of funds from the Ministry of Defence chapter in the areas in which deficiencies were detected in audits No 18/02, No 18/17, No 19/13 and No 19/20* (the audit report was published in Vol. 4/2024 of the *SAO Bulletin*).

48 Audit No 21/21 – *State funds spent on a soft targets protection system* (the audit report was published in Vol. 4/2022 of the *SAO Bulletin*).

49 [Statement by the Mol on the SAO report: The audit focused on measures to strengthen the resilience of soft targets, rather than on the entire system.](#)

50 Resolution of the Audit Committee of the Chamber of Deputies of the Parliament of the Czech Republic from its 28th meeting held on 7 December 2023.

Charles University, in December 2023. By the completion of the audit, however, this document had still not been approved, while many of the planned measures remained only in the preparatory phase, with implementation expected only in subsequent years.

The Mol has fulfilled only two of the four pillars of the national system for soft targets protection; for example, the Mol's standing advisory board on soft targets protection has not convened for almost 3.5 years.

The Mol's failure to perform its coordinating role – including the absence of a new strategic concept – was reflected in inconsistent approaches adopted by other ministries (MoC, MoH, MoEYS) in relation to strategic planning, financing, and the identification of the most vulnerable soft targets. For example, the MoEYS developed its own strategy for the period 2021–2023 and implemented its own protection programmes for schools. The SAO repeatedly pointed out that, by the end of the audit, the Mol had still not prepared a unified methodological framework for identifying the most vulnerable soft targets. The Ministry's permanent advisory body for STP ceased to function in 2021, while a new interministerial working group was established only at the end of 2024 and held its first meeting in April 2025.

Since the Mol had not evaluated the impacts of the projects and lacked feedback regarding the use of security documentation, the SAO approached owners and operators of soft targets through a questionnaire survey. A total of 6,142 entities were contacted, including schools, public higher education institutions, cultural institutions, and hospitals, of which 2,953 responded. The responses showed, for example, that every fourth primary or secondary school had already experienced a security incident, confirming the importance of this issue. The questionnaire also examined whether respondents were improving the protection of their facilities, how they financed the necessary measures, and whether they had made use of security documentation produced under the non-investment programmes⁵¹.

THE SAO REPEATEDLY EMPHASISED THAT THE ABSENCE OF A FUNCTIONING NATIONAL SYSTEM FOR THE PROTECTION OF SOFT TARGETS, TOGETHER WITH THE INSUFFICIENT FULFILMENT OF THE COORDINATING ROLE OF THE MINISTRY OF THE INTERIOR, PREVENTS THE ACHIEVEMENT OF THE REQUIRED LEVEL OF PREPAREDNESS OF FACILITIES AGAINST ATTACKS AND HINDERS THE MINIMISATION OF IMPACTS ON THE HEALTH AND LIVES OF CITIZENS.

IMPACTS OF PREVIOUS SAO AUDITS IN RELATION TO INTERNAL SECURITY

In its Audit No **23/10**⁵², the SAO found deficiencies in all phases of the equipping process of the Police of the Czech Republic, i.e. from planning and acquiring purchases to storage and decommissioning. The key problem was that the Mol had not completed the systematisation and standardisation of equipment, which meant that procurement was not aligned with the current needs of police officers. The Mol repeatedly purchased equipment even though stocks of this equipment were often several times greater than the optimal value defined by the Ministry, which the SAO assessed as an inefficient use of funds. In response to these findings, the Mol is implementing 11 measures intended to establish a modern equipment management system and ensure efficient management of police supplies. The Mol has, for example:

- issued a new regulation defining the required equipment for police officers and organisational units of the Police of the Czech Republic, including its scope and replacement frequency;
- implemented the *Electronic Equipment Service* project aimed at automating equipment selection, simplifying ordering and distribution, optimising warehouse inventories, and enabling procurement based on actual demand;
- reorganised the central warehouse in Opočíněk and optimised the distribution network of the police equipment e-shop, allowing for the closure of two clothing distribution facilities;
- prohibited the sale or transfer of police equipment to persons outside the Police of the Czech Republic and amended rules governing the handling of unused uniforms;

⁵¹ Audit No 24/33: [interactive data visualisation](#).

⁵² Audit No 23/10 – *State budget funds spent by the Ministry of the Interior on the acquisition, storage and disposal of equipment of the Police of the Czech Republic* (the audit report was published in Vol. 1/2025 of the *SAO Bulletin*).

- recovered **CZK 2.2 million** from equipment suppliers in the form of contractual penalties as a result of the SOA findings.

In its responses to Audit No **22/12**⁵³, the Mol rejected the conclusions of the SAO as biased and emphasised that the Czech system of civil protection is regarded as one of the most robust and best prepared in the EU⁵⁴. The SAO, for example, concluded that the Ministry was failing to fulfil its responsibilities in the area of warning and informing the population and referred to Swedish practice, under which, since 1943, a brochure has regularly been distributed providing information on how to respond to natural disasters, war, or cyberattacks, including recommendations regarding food, water, and other emergency supplies. Subsequently, the Mol created a dedicated website focused on civil protection and prepared the handbook titled *72 HOURS*⁵⁵. The Czech version, distributed to households in autumn 2025 in 5.2 million copies, pursues the same objective – strengthening public preparedness for crisis situations through practical information on emergency supplies sufficient for 72 hours and recommended procedures. The implemented measure therefore corresponds to the recommendations arising from the SAO audit.

Further impacts of audits in the field of the state's security policy are summarised in the SAO's [summary report on internal security covering the period 2018–2024](#). The purpose of this report is to demonstrate how the state ensures internal security, what results and impacts individual audits produced, and at the same time to identify the principal problems and challenges in the field of security policy. Through the above discussed audits, the SAO examined whether public funds were being spent effectively, economically, efficiently, and in accordance with legal regulations, and whether they genuinely contributed to increasing the safety and security of citizens. The audits brought about a number of concrete changes and improvements, but also identified problems and shortcomings that still need to be addressed.

53 Audit No 22/12 – *State funds earmarked for the preparation and provision of the system of protection of the population* (the audit report was published in Vol. 1/2023 of the *SAO Bulletin*).

54 [Ministry of the Interior](#).

55 [Are we ready? | 72 hours](#).

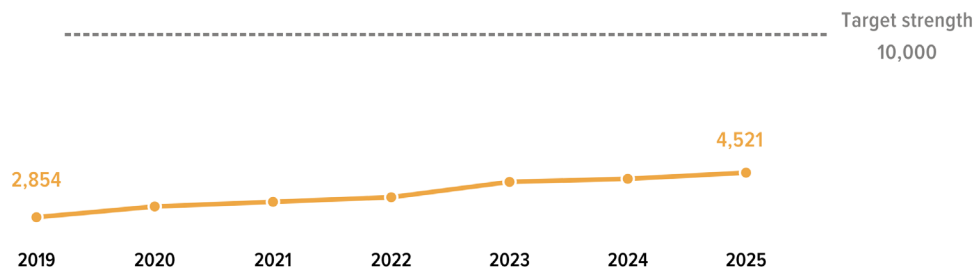
The shortage of soldiers is undermining the readiness of the Czech Armed Forces; the protection of soft targets is at risk due to the MoI's failure to fulfil its duties

INVESTMENTS OF ALMOST CZK 1.8 BILLION DID NOT LEAD TO THE ACHIEVEMENT OF AN APPROPRIATE LEVEL OF TRAINING FACILITIES FOR THE CZECH ARMED FORCES, AND WITH AN INCREASE IN THE NUMBER OF NEW RECRUITS, THE EXISTING CAPACITIES WOULD BE OVERBURDENED.

Professional soldiers



Soldiers in the active reserve



MoI FAILED TO FULFILL ITS COORDINATING ROLE IN THE AREA OF SOFT-TARGET PROTECTION AND, EVEN AFTER EIGHT YEARS, HAS NOT ESTABLISHED A FUNCTIONING NATIONAL SYSTEM, THUS FAILING TO ENSURE THAT A SUBSTANTIAL PORTION OF SOFT TARGETS WAS PREPARED TO RESPOND TO A POSSIBLE ATTACK.



As part of its audit, the SAO conducted a **questionnaire survey** among owners and operators of soft targets, including **5,987 elementary and secondary schools**, of which **48%** responded.

23%

of respondents had an experience with a security incident

64%

of respondents reported that their employees had the opportunity to participate in soft-target protection activities over the past three years

40%

of the respondents reported that their students had the opportunity to participate in activities related to the protection of soft targets over the past three years

14%

of respondents have drawn on state support for the protection of soft targets in the past three years

4.3 TRANSPORT

Transport infrastructure represents one of the fundamental prerequisites for the Czech Republic's economic development, competitiveness, and the safe mobility of people and goods. Important aspects of transport infrastructure include its technical condition and operational safety, both of which are influenced over the long term by traffic intensity as well as by the quality of management and protection of this infrastructure. For this reason, the Supreme Audit Office has long focused on auditing state expenditures in the transport sector, particularly from the perspective of effectiveness, economy, and efficiency.

In 2025, the SAO completed two audits in the field of transport focused on:

- vehicle checkweighing (Audit No [24/11](#));
- development and operation of rest areas on motorways (Audit No [24/18](#)).

CHECKWEIGHING OF VEHICLES

In Audit No [24/11](#), the SAO focused on the vehicle checkweighing system used on motorways and class I roads and on the revenues of the State Fund for Transport Infrastructure from fines imposed for weight-related offences. The purpose of these fines is to limit the operation of overloaded vehicles.

Between 2019 and 2024, the Road and Motorway Directorate (RMD) spent CZK 112.4 million on the acquisition and operation of high-speed weighbridges, of which the SAO audited CZK 111.1 million. The costs of low-speed checkweighing could not be determined precisely because neither the MoT nor the RMD maintained complete records of these expenditures. Between January 2020 and September 2024, the SFTI received CZK 93.5 million as its share of revenues from fines imposed on the basis of the checkweighing, of which only CZK 21.1 million originated from high-speed weighbridges.

Between 2019 and 2023, the state spent a total of **CZK 73.5 billion** on the repair and maintenance of motorways and class I roads. Overloaded vehicles contribute significantly to the damage caused to transport infrastructure.

The existing checkweighing system fails to fulfil its intended purpose, as it has not ensured the effective detection, documentation, or sanctioning of weight-related offences and has failed to provide adequate protection for motorways and class I roads against the destructive effects of overloaded vehicles.

The MoT did not evaluate the state of this area or adopt effective measures. Moreover, in certain cases the RMD failed to act in accordance with legal regulations. The SAO concluded that state funds amounting to **CZK 28.9 million** spent by the RMD on the acquisition and operation of high-speed weighbridges had been used ineffectively and in an uneconomic manner, indicating a possible breach of budgetary discipline.

The checkweighing system was largely non-functional throughout the period 2020–2024. On average, the weighbridges were functioning only for 39% of their operating time, while for more than 60% of the time they remained out of service due to technical issues or failure to comply with metrological requirements. This substantially limited the system's ability to perform its protective and preventive functions.

This non-functionality was compounded by the low effectiveness of administrative enforcement. Of nearly 496 thousand detected weight-related offences, only 58% were referred to the competent municipalities with extended competence, while the sanctions actually imposed represented only a negligible fraction of the system's potential. This significantly reduced both the punitive and preventive effects of the system.

If all 289,311 serious offences referred to the authorities of the municipalities with extended competence were to result in the imposition of at least the minimum fine of CZK 5,000, the total amount of fines would be **CZK 1.4 billion**, of which 40% would go to the SFTI. In reality, however, the SFTI received only **CZK 21.13 million**, which is less than 4%.

The low revenues of the SFTI from fines imposed on the basis of the checkweighing system demonstrate the failure of the system to effectively penalise weight-related offences. Amendments to the weighing conditions introduced by the MoT in 2022 and 2024⁵⁶ did not succeed in limiting the operation of overloaded vehicles; instead, they effectively reduced the ability to sanction such violations. These changes have thus negative consequences for the protection of transport infrastructure.

Of the 9,581 serious offences detected by the high-speed weighbridges on the D1 motorway in May 2024, the RMD referred only 250 to administrative proceedings, representing 2.61%. The remaining 9,331 serious offences were not dealt with at all.

IN PRACTICE, THE CHECKWEIGHING SYSTEM DID NOT FUNCTION IN A MANNER CAPABLE OF PROTECTING ROAD INFRASTRUCTURE OR LIMITING THE OPERATION OF OVERLOADED VEHICLES. AT THE SAME TIME, THE WAY THE SYSTEM WAS DESIGNED AND OPERATED CREATED A RISK OF INEFFECTIVE AND UNECONOMICAL USE OF PUBLIC FUNDS.

In connection with these findings, the SAO recommended that the MoT, in cooperation with the RMD, fundamentally reassess and revise its approach to vehicle checkweighing. Any proposed changes should be based on an analysis of the current situation and possible solutions. The checkweighing strategy should include specific and clearly defined measures, an implementation structure, operational processes, a timetable and financial plan, as well as target outcomes and indicators for monitoring the achievement of the set objectives. Constructing additional high-speed weighbridges without first resolving the problems affecting both the operation of the checkweighing system itself and the effectiveness of enforcement and prevention measures would entail a significant risk of further ineffective and uneconomical expenditure of state funds.

MOTORWAY REST AREAS

Audit No [24/18](#) focused on the development and operation of motorway rest areas and the RMD's revenue from their lease. Rest areas represent an important element of road safety, particularly for lorry drivers, who are legally required to comply with mandatory breaks and rest periods.

Between 2018 and 2024, the RMD spent CZK 441 million on preparations for the construction of 74 new or expanded rest areas. Although the government had already approved the Freight Transport Strategy in 2017 and tasked the MoT with creating 1,500 new parking spaces for freight transport by 2023, only 407 spaces had been completed on the existing motorway network by 2025. Of the 18 priority rest areas the construction of which was supposed to be completed by 2023, not a single one had been completed during the audited period – preparation work was entirely halted for eight of them, while the remaining ten had not progressed to completion.

Preparations for the construction of rest areas were based on studies intended to identify suitable locations for new rest areas. Between 2015 and 2017, the RMD paid a total of **CZK 3.8 million** for these studies. Part of these expenditures was assessed as ineffective because the studies failed to examine

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In particular, the MoT allowed checkweighing to be carried out only to a limited extent and introduced monthly caps on the number of detected violations of weight limits, while also abandoning the enforcement of penalties for axle overload violations.

territorial and technical conditions, particularly in relation to spatial planning documentation. The main obstacle to constructing additional rest areas remains the absence of their designation in land-use plans, or the opposition of municipalities to amendments of their plans.

The lease agreement for the D1 Střechov rest areas (executed in 1992 for a term of 50 years) set the rent at **38,500** German marks without an inflation clause and linked the rent to the exchange rate of the Czech crowns against the German mark (later the euro). Due to the Czech crown's appreciation, the RMD's rental income fell by almost 30%, and in 2024 the rent amounted to just **CZK 492,463** for both rest areas.

With regard to operational management of rest areas, the RMD failed to take effective steps to amend or terminate disadvantageous lease agreements concluded in the 1990s. Some lease agreements continued to suffer from ambiguities regarding the definition of their subject matter, an issue already highlighted by the SAO in the past. Measures set out in the *Freight Transport Strategy 2017–2023 with an outlook to 2030* aimed at improving the facilities and services available at rest areas were likewise not implemented.

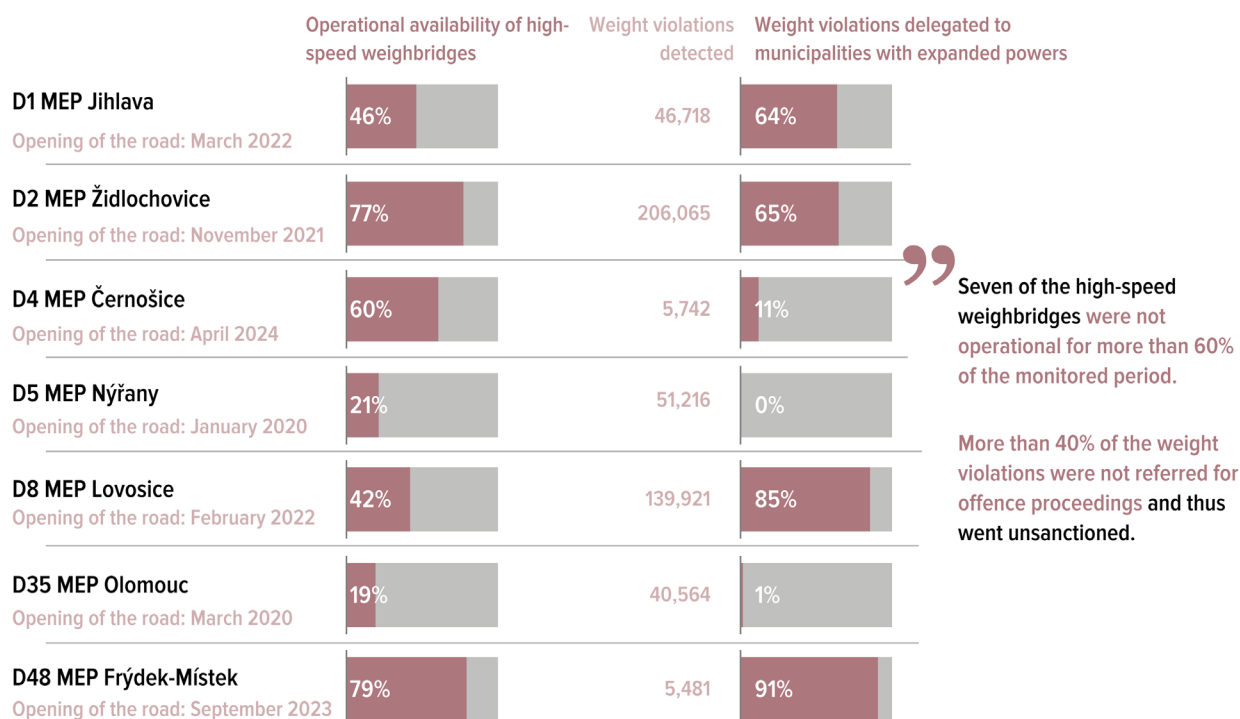
Measures aimed at increasing safety and security of parking spaces – such as fencing, camera surveillance systems, or equipment for removing snow and ice from lorries – were also not implemented. The RMD had not established procedures for the systematic monitoring of tenants' compliance with contractual obligations or for the regular evaluation of the condition of rest areas. A comparison with Poland showed that the quality and safety of facilities at rest areas in the Czech Republic were lower, as were the revenues generated from their lease. Unlike the Czech Road and Motorway Directorate, the Polish General Directorate for National Roads and Motorways had also clearly defined procedures for monitoring tenants' compliance with contractual obligations at rest areas.

Although state strategic documents required the introduction of a publicly accessible information and reservation system for motorway rest area occupancy by 2020, by the end of 2024 no such system was available to drivers, reservations could not be made, and occupancy monitoring had been introduced at only eight rest areas, representing approximately 6% of their total number.

THE CAPACITY OF MOTORWAY REST AREAS HAS LONG FAILED TO CORRESPOND TO THE NEEDS OF FREIGHT ROAD TRANSPORT. NEITHER THE MINISTRY OF TRANSPORT NOR THE ROAD AND MOTORWAY DIRECTORATE FULFILLED THE ESTABLISHED OBJECTIVES CONCERNING THE DEVELOPMENT OF PARKING FACILITIES AND RELATED SERVICES, WHICH HAS NEGATIVE CONSEQUENCES FOR BOTH THE SAFETY AND THE SMOOTH FLOW OF ROAD TRAFFIC.

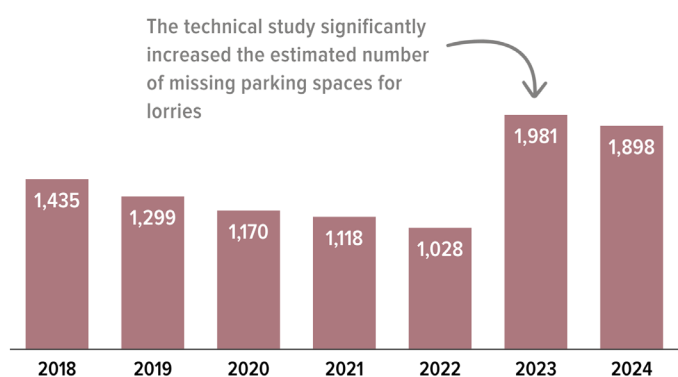
The Ministry of Transport and The Road and Motorway Directorate failed to fulfil their responsibilities with regard to protection and safety of road infrastructure

THE VEHICLE CHECKWEIGHING SYSTEM HAS FAILED ITS FUNCTION. AS OF NOW, IT IS NOT AN EFFECTIVE TOOL FOR RESTRICTING THE MOVEMENT OF OVERLOADED VEHICLES AND PROTECTING TRANSPORT INFRASTRUCTURE FROM THE DAMAGE CAUSED BY SUCH VEHICLES.



DESPITE THE INCREASE IN LORRY TRAFFIC SINCE 2025, THE MoT AND RMD HAVE FAILED TO ENSURE SUFFICIENT PARKING SPACES AT MOTORWAY REST AREAS, THUS FAILING TO MEET THE SET TARGETS. BY DOING SO, THEY HAVE JEOPARDISED TRAFFIC SAFETY AND CONTRIBUTED TO ILLEGAL PARKING.

The number of missing parking spaces for lorries on Czech motorways



While the need for parking spaces was growing, preparations for their construction were not proceeding at a sufficient pace.

0 out of 18

Out of 18 priority rest areas set out to be completed by 2023, not a single one had been built by the time of the audit, and a portion of the funds had been spent ineffectively.

4.4 SOCIAL POLICY AND EMPLOYMENT

One of the principal challenges in the field of social policy is ensuring accessible and high-quality social services under conditions of adverse demographic development. Closely linked to this is the need for high-quality infrastructure and the availability of social services, as well as the effective functioning of institutions responsible for implementing state employment policy and administering social benefits, which directly contribute to the functioning of the welfare system.

In 2025, the SAO completed two audits in the field of social policy and employment focused on:

- support the infrastructure of regional social services (Audit No [24/10](#));
- property and funds under the management of the Labour Office of the Czech Republic (Audit No [24/32](#)).

INFRASTRUCTURE OF REGIONAL SOCIAL SERVICES

In Audit No [24/10](#), the SAO focused on funds from the Integrated Regional Operational Programme (IROP) earmarked to support the infrastructure of regional social services. The SAO examined whether and how EU and state budget funds contributed to the development of social services for persons in adverse social situations. The audit was conducted at the Ministry of Regional Development and selected beneficiaries. Among other things, the audit covered 14 projects with a total value of **CZK 358 million**. The audited period spanned the years 2014–2023.

The SAO found that the MoRD had established processes aimed at supporting projects with the potential to improve the quality and availability of social services in the regions. However, in one of the funding calls, the Ministry failed to ensure a sufficient assessment of the proportionality of supported purchases, which resulted in the acquisition of unnecessary vehicles. Nevertheless, the majority of beneficiaries used public funds for the audited projects effectively.

When establishing the conditions for support, the MoRD based its approach on identified regional needs. However, during the 2014–2020 programming period it failed to define appropriate objectives and indicators, making it impossible to systematically evaluate the contribution of projects to improving the quality and accessibility of social services. The MoRD cooperated with the MoLSA during the preparation of support programmes, but during implementation it failed to take into account the actual complementarity with projects financed through the OPEm and OPEm+ programmes. The SAO considers this interconnection to be crucial, particularly in view of the need to ensure sufficient staffing capacities for the development of social services.

Eight cars were purchased for a care service, which could serve a maximum of six clients at any one time. Those cars were used sparingly – from a few trips a week to just a handful of trips a month – with very low mileage recorded by all cars.

Within the REACT-EU⁵⁷ funding call aimed at supporting social service infrastructure, the MoRD defined the criterion of necessity only in general terms. In some cases, this deficiency resulted in beneficiaries purchasing unjustifiably high numbers of vehicles that did not correspond to the scope of the social services provided or to the number of clients served. Some of the acquired vehicles were additionally used only minimally for social service provision and could have been replaced by other vehicles already purchased through the subsidy.

The SAO assessed the expenditure of funds as effective in 10 out of the 14 audited projects. In the remaining four projects, it identified shortcomings regarding effectiveness, two of which involved significant deficiencies. At the same time, the SAO identified certain projects as examples of good practice, particularly in the area of transitioning clients from institutional care to community-based care.

SAO recommendations:

- Genuine complementarity between projects financed under the IROP and projects financed through the OPEm and OPEm+ programmes was not ensured, particularly with regard to staffing capacities in social services. The SAO therefore recommended strengthening cooperation between the MoRD and MoLSA in the preparation and implementation of support programmes;
- In some funding calls, the criterion of necessity was defined only in general terms, resulting in disproportionate purchases of equipment. The SAO therefore recommended consistently assessing the proportionality of requests for equipment acquisition, particularly in relation to the scope of services provided and the number of clients served.

THE SAO FOUND THAT SUPPORT FOR THE INFRASTRUCTURE OF REGIONAL SOCIAL SERVICES WAS MEANINGFUL AND, IN MOST CASES, CREATED THE CONDITIONS NECESSARY FOR IMPROVING THE QUALITY AND ACCESSIBILITY OF SOCIAL SERVICES. AT THE SAME TIME, HOWEVER, THE AUDIT DEMONSTRATED THAT INVESTMENTS IN INFRASTRUCTURE ALONE DO NOT, IN SOME CASES, GUARANTEE IMPROVEMENTS IN THE FUNCTIONING OF SOCIAL SERVICES.

FINANCIAL MANAGEMENT OF THE LABOUR OFFICE OF THE CZECH REPUBLIC

In Audit No [24/32](#), the SAO examined how the Labour Office managed state assets amounting to **CZK 5.1 billion** during the years 2021–2023, including expenditures of **CZK 88.1 million** on the acquisition of property and services, as well as expenditures of **CZK 1.4 billion** allocated to the EFES⁵⁸ and PIPS⁵⁹ projects, which were intended to improve the efficiency of services provided and enhance the material and technical equipment of Labour Office branches.

Through its audit of the Labour Office, the SAO identified unlawful and inconsistent procedures in the management of state property⁶⁰. The SAO further found that the digitalisation of LO's administration improved client convenience but did not accelerate the work of employees⁶¹. In the area of administering non-insurance social benefits, during the period from 2022 to February 2025, the Labour Office failed to process 18% of applications within the statutory time limit. The Labour Office subsequently initiated reforms which, in 2024, led to a reduction in the proportion of applications processed after the statutory time limit. Based on relevant data, the institution proposed reducing the number of branch offices and implemented organisational changes in response to imbalances in staffing levels across workplaces.

According to the SAO, the benefits of the EFES and PIPS projects were only temporary. The Labour Office failed to ensure the sustainability of certain activities after the projects had ended. Moreover, within the EFES and PIPS projects, it used **CZK 34.7 million** ineffectively for personnel expenses instead of modernising workplace equipment. In this context, the SAO pointed to a systemic problem whereby the extension of projects resulted in rising personnel expenditures without corresponding benefits.

Due to an imbalance in staffing levels across its various offices, the Labour Office spent approximately **CZK 630 million** – i.e. 16% of its personnel expenses – in a partly inefficient manner on the administration of applications for non-contributory social benefits that it failed to process within the statutory time limit. It subsequently implemented effective organisational changes.

THE LABOUR OFFICE ADOPTED SYSTEMIC MEASURES IMPORTANT FOR IMPROVING THE EFFICIENCY OF EXPENDITURES RELATED TO THE ADMINISTRATION AREAS IT MANAGES; HOWEVER, IN CERTAIN RESPECTS IT CONTINUED TO LAG BEHIND COMPARABLE INSTITUTIONS IN OTHER EU MEMBER STATES.

58 The Effective Employment Services project supported by the Operational Programme Employment 2014–2020.

59 Project Support for Information and Advisory Centres of the Labour Office of the Czech Republic supported by the Operational Program Employment 2014–2020.

60 See Chapter 5. Institutions' financial management

61 See Chapter 4.1: Digitalisation and efficient public administration.

Some of the investments and expenditures in the social sector have proven to be unnecessary

THE BENEFITS OF THE PROJECTS FROM THE LABOUR OFFICE WERE ONLY TEMPORARY.

Out of the 89 established Labour Office information centres, only 17 remained active after the project ended:



Information centres:

- Via their consultants, the information centres were tasked with establishing the initial contact with clients and helping them navigate the procedures of the Labour Office
- However, once the project ended, most of the information centres were dissolved
- The Labour Office spent a total of CZK 187.8 million on operating the information centres, most of which were only temporary (amounting to CZK 40.6 million more than originally planned)

After the PIPS project ended, only 35 of the 86 consultants remained

35 consultants

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The remainder of the consulting positions was dissolved when the project ended. The expansion of counselling and information services, including individual and group counselling (e.g., for students or job seekers), which the appointment of consultants was intended to facilitate, was not maintained to the extent originally anticipated.

INVESTMENTS IN INFRASTRUCTURE DO NOT BY THEMSELVES GUARANTEE IMPROVEMENTS IN SOCIAL SERVICES

Call No 101 REACT-EU lacked clear rules for assessing whether purchases were reasonable:

- ✓ Compliance with the call
- ✗ Assessment of necessity
- ✗ Link to the scope of the service
- ✗ Link to the number of clients

”

The terms of one of the calls for proposals, with a budget of CZK 2.5 billion, allowed for the purchase of equipment; however, in some cases, the scope of these purchases did not correspond to the needs of the services provided.

4.5 HEALTHCARE

Within the public healthcare system, university hospitals constitute the backbone of the hospital network in the Czech Republic and provide a significant share of inpatient healthcare services. Although they function as natural regional healthcare hubs for a significant part of the population, their operation is often burdened by outdated infrastructure, the renewal of which requires considerable public investment. The State Institute for Drug Control (SIDC) also plays an important role within the public healthcare system, because it carries out activities aimed at ensuring the safety, quality, and effectiveness of medicines and medical devices. For this reason, in 2025 the SAO focused on investment support for university hospitals and on the financial management of the SIDC.

In 2025, the SAO completed two audits in which it examined:

- support for the development and renewal of the material and technical base of university hospitals (Audit No [24/09](#));
- assets and funds under the management of the State Institute for Drug Control (Audit No [24/25](#)).

MATERIAL AND TECHNICAL BASE OF UNIVERSITY HOSPITALS

In Audit No [24/09](#), the SAO examined how the Ministry of Health (MoH) and three selected university hospitals⁶² managed funds allocated between 2016 and 2023 for supporting the development and renewal of the material and technical base of university hospitals. The audit focused primarily on investments directed towards the reconstruction and modernisation of university hospitals and on the acquisition or replacement of medical technology, equipment, and devices. The MoH provided a total of **CZK 2 billion** for 72 projects under the *Programme for the Development and Renewal of the Material and Technical Base of University Hospitals* (Development and Renewal Programme)⁶³. The audited sample consisted of eight investment projects. The volume of funds audited in relation to the selected university hospitals amounted to **CZK 399 million**.

The General University Hospital (*Všeobecná fakultní nemocnice in Czech*) spent more than **CZK 1.8 million** ineffectively and in an uneconomic manner on the project documentation for the new central emergency department. As construction has still not begun even after 14 years, the General University Hospital continues to operate from poorly situated facilities.

The MoH failed to meet any of the targets for the modernisation or renovation of the university hospitals' building infrastructure; on the contrary, it exceeded the budget, for example, for the purchase of vehicles. Instead of **one**, the Ministry bought **14**.

The SAO found that within the Development and Renewal Programme, funding for the acquisition of medical and other equipment predominated over planned reconstructions of outdated building infrastructure in university hospitals. At the same time, the condition of hospital facilities and buildings did not meet the demands of modern medicine, which in turn affected the effective utilisation of newly acquired equipment. The Ministry of Health provided financial support without having sufficient data for informed decision-making regarding the allocation of subsidies and, during the period 2016–2023, carried out no inspections of beneficiaries concerning the use of the subsidies received. One of the audited university hospitals used at least CZK 2.2 million ineffectively and in an uneconomic manner.

The reconstruction and modernisation of university hospital operations were intended to constitute the key component of the Development and Renewal Programme. However, the MoH failed to fulfil any of the planned parameters relating to building infrastructure and instead prioritised the acquisition of new medical technology and other machinery and equipment, where the planned parameters were significantly exceeded. As a result, the Development and Renewal Programme failed to deliver the planned modernisation of operating theatres and other medical facilities.

62 University Hospital Hradec Králové (*Fakultní nemocnice Hradec Králové*); University Hospital Olomouc (*Fakultní nemocnice Olomouc*) and General University Hospital in Prague.

63 Programme No 135 01 – *Development and Renewal of the Material and Technical Base of University Hospitals*.

The MoH did not assess applications for subsidies in a transparent manner and, during the implementation of the programme, created unequal conditions for subsidy beneficiaries. Moreover, the MoH registered 16 investment projects with a total allocated subsidy amount of **CZK 517 million** only towards the end of the programme's implementation period. At the same time, the MoH exceeded the expenditure limit under the Development and Renewal Programme by **CZK 295 million**, likewise in breach of the programme conditions set by the Ministry of Finance.

AS A CONSEQUENCE OF THE FACT THAT THE MINISTRY OF HEALTH LACKED BOTH A COMPREHENSIVE STRATEGY FOR THE DEVELOPMENT OF THE MATERIAL AND TECHNICAL BASE OF UNIVERSITY HOSPITALS AND AN ANALYSIS OF THEIR BUILDING INFRASTRUCTURE, ERRORS OCCURRED IN THE PLANNING AND IMPLEMENTATION OF INVESTMENTS. INSTEAD OF RENOVATING DETERIORATING FACILITIES, EQUIPMENT WAS PURCHASED THAT WAS SUBSEQUENTLY UNDERUTILISED.

Measures adopted

Based on the findings of the audit, the MoH committed itself to the following measures:

- establishing a strategic working group responsible for approving investment projects financed through state budget programme funding. The Ministry has already tasked selected state-owned hospitals with preparing development strategies, including strategies for their material and technical base, for the period 2025–2030;
- ensuring that future programme documents aimed at the development of the material and technical base will be based on strategies prepared by the hospitals themselves, while focusing on the fulfilment of established objectives and updates thereof on the basis of objective circumstances;
- ensuring that, during the inclusion and approval of investment projects, the reasons for their inclusion in MoH programmes will be systematically documented; this measure is directly linked to the establishment of the strategic working group responsible for the inclusion of investment projects financed from the state budget through programme funding;
- implementing a systemic change in the organisational structure of the MoH in order to ensure the proper performance of public administration audits and controls.

FINANCIAL MANAGEMENT OF THE STATE INSTITUTE FOR DRUG CONTROL

In Audit No [24/25](#), the SAO examined the financial management of the SIDC during the years 2020–2023, focusing in particular on public procurement, asset management, supervisory activities, and the operation of the ePrescription (eReceipt) system. The audited volume of financial resources amounted to **CZK 347 million**, while the audited volume of assets totalled **CZK 45.7 million**.

Through its review of public contracts, the SAO found that in certain cases the SIDC failed to act in accordance with legal regulations, particularly the Public Procurement Act⁶⁴, the Financial Audits Act⁶⁵, and the Archives and Filing Service Act⁶⁶. At the same time, the SIDC fulfilled the corrective measures adopted in response to deficiencies identified in Audit No 16/18⁶⁷.

The SAO identified breaches of legal regulations in eight out of the 15 public contracts reviewed. Of the 13 examined ICT contracts, seven contracts with a total value exceeding **CZK 37.6 million** were found to violate the principle of transparency, because the SIDC failed to retain documentation relating to the determination of the estimated contract value, which constitutes a key element of the “audit trail”. In the case of a small-scale public contracts for catering services, the SIDC awarded the contract directly on the basis of an exemption under its internal regulation, despite the fact that the conditions for applying the exemption had not been met.

64 Act No 134/2016 Coll., on Public Procurement.

65 Act No 320/2001 Coll., on Financial Audits in the Public Administration and Amending Some Related Acts (the Financial Audits Act).

66 Act No 499/2004 Coll., on Archives and the Filing Service and Amending Certain Acts.

67 Audit No 16/18 – *Management of state property and funds allotted to the State Institute for Drug Control* (the audit report was published in Vol. 3/2017 of the SAO Bulletin).

During the Presidency of the Council of the European Union held by the Czech Republic in 2022, the SIDC organised several official events accompanied by accompanying programmes. Due to doubts regarding the representational standard of the services offered, it cancelled the announced public contract and instead directly awarded a contract worth almost CZK 1.4 million under an exemption, despite the fact that the conditions for using the exemption were not fulfilled. By doing so, it restricted fair competition.

The SAO found that although the ePrescription application has been available since 2020, SMS delivery remains the primary method for transmitting prescription identifiers, which significantly increases the operating costs of the SIDC.

THROUGH BROADER USE OF THE ePRESCRIPTION APPLICATION, THE SIDC COULD REDUCE ITS OPERATING EXPENDITURES. THE SAO THEREFORE RECOMMENDS THAT THE SIDC STRENGTHEN EDUCATIONAL ACTIVITIES CONCERNING ALTERNATIVE METHODS OF DELIVERING PRESCRIPTION IDENTIFIERS (FOR EXAMPLE THROUGH IDENTITY DOCUMENTS).

IMPACTS OF PREVIOUS SAO AUDITS IN THE FIELD OF HEALTHCARE

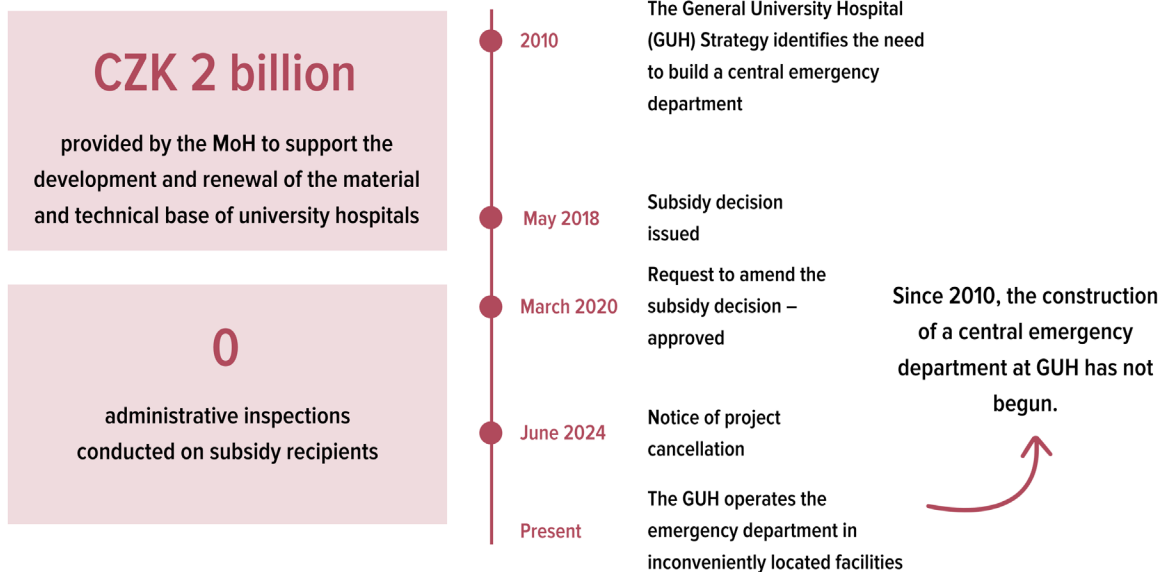
In Audit No **23/12**⁶⁸, the SAO focused on the use of funds by the Health Insurance Company of the Ministry of Interior from the basic health insurance fund, the operating fund, and the prevention fund. The SAO found violations of the Public Procurement Act when purchasing services and the Accounting Act when managing public health insurance claims. Partly on the basis of the SAO findings, the activities of the Health Insurance Company of the Ministry of Interior were subsequently examined by criminal justice authorities, specifically in relation to public contracts concerning promotional activities involving athletes. In addition, the health insurance company strengthened its internal control mechanisms in the areas of the operating fund and the prevention fund.

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Audit No 23/12 – Funds collected on the basis of law in favour of the Health Insurance Company of the Ministry of the Interior of the Czech Republic (the audit report was published in Vol. 3/2024 of the SAO Bulletin).

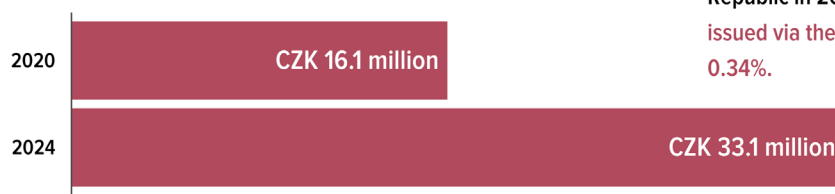
Shortcomings in management and oversight lead to inefficient use of public funds

THE MoH OFFERED FINANCIAL SUPPORT TO UNIVERSITY HOSPITALS WITHOUT SUFFICIENT SUPPORTING DOCUMENTATION OR EFFICIENT INSPECTIONS, WHICH LED TO PROJECT DELAYS, INCREASED COSTS, AND THE FAILURE TO ACHIEVE SOME OF THE PLANNED OUTCOMES.



IN 2024, THE SIDC SPENT NEARLY FIFTH OF ITS OPERATING EXPENSES ON SMS E-PRESCRIPTIONS, EVEN THOUGH A CHEAPER AND SAFER ALTERNATIVE IS AVAILABLE IN THE FORM OF THE EPRESCRIPTION APP. HOWEVER, THE SIDC DID NOT BEGIN PROMOTING ITS USE UNTIL 2025.

The expenses of the SIDC for sending electronic prescriptions via SMS



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Out of all e-prescriptions issued in the Czech Republic in 2024, the share of e-prescriptions issued via the ePrescription application was 0.34%.

The SIDC's expenses for SMS services are rising, and a further increase is expected with the introduction of eVoucher (ePouzkaz in Czech) for medical devices.

4.6 EDUCATION AND SPORT

In addition to education, the healthy development of the population – to which sport also contributes – plays an important role in the development and prosperity of the state. For this reason, the SAO focuses in its audits on the management of public funds both in the areas of education and sport. Ensuring high-quality education requires not only efficient governance and evaluation of different types of schools, but also the creation of adequate conditions for their development. Support for sport should be similarly efficient and appropriately targeted, including investments in high-quality sports infrastructure.

In 2025, the SAO completed one audit in the field of sport and two audits in the field of education:

- Funds spent on the activities of sports centres of the Ministry of the Interior and the Ministry of Defence (Audit No [24/08](#));
- Funds earmarked for the development and renewal of the material and technical base of public universities (Audit No [24/13](#));
- Funds earmarked for projects supporting evaluation and management of the regional education system (Audit No [25/02](#)).

SPORTS CENTRES OF THE MINISTRY OF THE INTERIOR AND MINISTRY OF DEFENCE

As part of Audit No [24/08](#), the SAO examined how the Ministry of Defence and the Ministry of the Interior managed funds allocated during the period 2019–2023 to the sports centres of the two ministries (DUKLA and OLYMP). The audit assessed whether the ministries had created conditions for the development of sport, preparation of national team athletes, and support for sporting talent, particularly through planned investments in the construction and modernisation of sports infrastructure. During this period, more than **CZK 3.4 billion** was spent by the two ministries on the operation of the centres.

By the end of 2021, the MoD had spent **CZK 8.4 million** on the design documents for the sports arena at Juliska. In 2018, MoI/OLYMP spent almost **CZK 581 thousand** on a conceptual study for the Věra Čáslavská National Training Centre. However, the construction of neither of these buildings has started.

The SAO found that after responsibility for the national team administration was transferred from the MoEYS to the National Sports Agency (NSA) in 2019, no new rules were established governing the financing and mutual cooperation of sports centres, which negatively affected the management of investments in sport. During the audited period, both sports centres of the ministries (OLYMP and DUKLA) reduced their expenditures, failed to carry out planned investments, and consequently did not provide the missing infrastructure needed for national team athletes. The SAO further assessed almost CZK 9 million spent on documentation for planned sports halls⁶⁹ as ineffective expenditure. In selected procurements of services and assets, the SAO also identified ineffective and uneconomical use of public funds.

Out of originally planned investments amounting to **CZK 481 million** for immovable infrastructure, the MoD used only **CZK 168 million**, representing 35% of the planned amount. Of 14 construction projects, only seven were completed, while two projects – a gymnasium in Harrachov and a sports hall at Juliska – remained only at the project documentation stage. The MoI failed to define specific investment needs. Within subprogramme No 014V024, it implemented only 13 out of 19 planned projects, while at the same time carrying out additional unplanned projects beyond the original framework. This did not lead to the optimal use of public funds. As a result, the planned infrastructure necessary for national team athletes is still lacking.

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This involved a conceptual study serving as the first step toward the construction of the Věra Čáslavská National Training Centre, commissioned for the future construction of a sports hall for the centre in accordance with the requirements and specifications of the Czech Gymnastics Federation, as well as project documentation for a sports hall in the Juliska complex.

The sports centre OLYMP spent approximately **CZK 1.7 million** on promotional activities in the form of wall and desk calendars. Since these expenditures were not necessary for ensuring quality conditions for national team athletes or for the development of sporting talent, as defined by OLYMP's founding charter, the SAO assessed these funds as having been spent ineffectively.

The SAO also identified inefficiencies in relation to travel expenses. The OLYMP management spent more than **CZK 724 thousand** on business trips abroad from funds earmarked for national team members. Two of those trips were not even intended to support the national team, nor were they related to OLYMP's activities.

THE MINISTRY OF DEFENCE AND THE MINISTRY OF THE INTERIOR FAILED TO CARRY OUT THE PLANNED INVESTMENTS BETWEEN 2016 AND 2024 AND DID NOT UTILISE THE FUNDS ALLOCATED FOR THE MODERNISATION OF KEY SPORTS INFRASTRUCTURE. DURING THE AUDITED PERIOD, THE OLYMP AND DUKLA SPORTS CENTRES RECEIVED CZK 3.9 BILLION FOR OPERATIONS AND INVESTMENTS, BUT LESS THAN CZK 0.5 BILLION WAS ACTUALLY USED FOR INVESTMENTS. THE MAJORITY OF THE FUNDS WERE SPENT ON OPERATING COSTS, PRIMARILY SALARIES AND TRAVEL EXPENSES.

Recommendations of the SAO:

One of the reasons for the above-mentioned shortcomings was that the sports centres of the two ministries were still governed by operational principles⁷⁰ dating from 2015, which had not been updated until September 2024 and failed to reflect amendments to the Sports Act. Further reforms should continue, for example in the area of defining the legal status of elite athletes and national team athletes, clearly defining their financing from public budgets, and establishing transparent rules for financing sports infrastructure.

MATERIAL AND TECHNICAL BASE OF PUBLIC UNIVERSITIES

In Audit No [24/13](#), the SAO examined public funds provided by the MoEYS for the development and renewal of the material and technical base (MTB) of public universities. The audit was conducted at the MoEYS in its role as the managing authority of the OP RDE and as the provider of support, as well as at three selected public universities⁷¹ as beneficiaries of support, with a focus on structurally disadvantaged regions of the Czech Republic⁷². Thirteen public university projects were selected for the audit. The audited volume of public funds amounted to almost **CZK 30.3 billion** at the MoEYS level and **CZK 3.28 billion** at the level of the selected beneficiaries.

Under the programmes monitored, the MoEYS supported the development of material and technical resources at 26 public higher education institutions in the amount of approximately **CZK 30.3 billion** through 600 projects.

The SAO found that the MoEYS provided support to public universities for the development and renewal of their material and technical base in accordance with the conditions set out in programme documentation. However, in its strategic and conceptual documents the Ministry failed to define objectives and indicators in line with the SMART⁷³ criteria. As a result, the Ministry distributed more than **CZK 30 billion** without verifying the actual benefits of the support, namely how the funding improved teaching quality and educational outcomes in practice. In nine out of the 13 audited projects, the SAO found that universities had breached the conditions attached to the subsidies. In six cases, universities failed to provide sufficient justification for why specific teaching facilities or costly equipment were necessary.

⁷⁰ Rules governing the operation, financing, and mutual cooperation of sports centres under the ministries.

⁷¹ University of Ostrava, Jan Evangelista Purkyně University in Ústí nad Labem, and VSB – Technical University of Ostrava.

⁷² Implemented within the framework of the *Strategic Framework for the Economic Restructuring of the Ústí nad Labem, Moravian-Silesian, and Karlovy Vary Regions* and within the framework of measures under the *Comprehensive Action Plan of the Restructuring Strategy for the Ústí nad Labem, Moravian-Silesian, and Karlovy Vary Regions*.

⁷³ SMART criteria: Specific, Measurable, Achievable, Result-focused, and Time-bound.

The SAO had already stated in Audit No **16/31**⁷⁴ that the MoEYS, within the programme “*Development and Renewal of the Material and Technical Base of Public Universities*” (Programme No 133 210), used only quantitative – standard technical – parameters that lacked the explanatory value of qualitative indicators⁷⁵ and therefore failed to specify concrete objectives or effectiveness. Nevertheless, even in the subsequent programme (No 133 220), none of the indicators provided such explanatory value. The indicators again consisted solely of quantitative measures, such as the number of classrooms, laboratories, and offices, the number of newly constructed or reconstructed buildings, including facilities with implemented energy-saving measures, and distinctions between facilities used for teaching, accommodation, or catering. Indicators relating to accommodation or catering included only the number of beds or meals served.

The SAO found that in 11 out of 52 cases⁷⁶ examined, i.e. 21.15%, equipment purchased for teaching or student use was utilised less than once a month. The equipment therefore did not fully serve the purpose for which it was purchased.

An example of equipment acquisition that failed to fully achieve its intended purpose – namely teaching and student use – was identified in one of the audited projects. The project included a “laboratory stand” acquired at a cost exceeding **CZK 3 million**, which remained unused for eight months, and a “system for detailed diagnostics of scalar and vector fields” purchased for more than **CZK 17 million**, which was not used for a period of 12 months.

THE MINISTRY OF EDUCATION, YOUTH AND SPORTS FAILED TO SUFFICIENTLY DEFINE IN ADVANCE WHAT IMPROVEMENTS THE SUPPORT FOR THE MATERIAL AND TECHNICAL EQUIPMENT OF UNIVERSITIES WAS INTENDED TO ACHIEVE, HOW SUCCESS WOULD BE MEASURED, OR ACCORDING TO WHICH CRITERIA THE RESULTS WOULD BE EVALUATED. AS A CONSEQUENCE, THE MINISTRY WAS UNABLE TO DETERMINE WHETHER THE STATE HAD RECEIVED ADEQUATE VALUE FOR THE PUBLIC FUNDS SPENT.

Measures adopted

Based on the findings of the audit, the MoEYS committed itself to the following measures:

- preparing a research project within the BETA3 programme of the Technology Agency of the Czech Republic aimed at proposing suitable instruments for revising and configuring the *Strategic Plan of the MoEYS*, taking into account both the legal obligations of strategic governance and the efficiency of public administration;
- evaluating, in the final assessment of Programme No 133 220, the effectiveness and economy of expenditures incurred under the programme and setting the objectives of future programmes through qualitative indicators.

REGIONAL EDUCATION

As part of Audit No **25/02**, the SAO focused on support for the evaluation and governance of the regional education system, specifically examining whether there had been improvements in the quality of education, strategic management, and pupils’ performance. The audit covered the period 2019–2024 and was conducted at the MoEYS in its role as guarantor of the education sector and managing authority of the Operational Programme *Research, Development and Education* (OP RDE), as well as at the Czech School Inspectorate (CSI) and the National Pedagogical Institute (NPI) as implementers of systemic projects. In the case of the MoEYS, the volume of funds audited at the system level equalled almost **CZK 3.52 billion**. The audited amount spent on selected projects totalled approximately **CZK 734 million**, of which almost **CZK 227 million** was spent by the CSI and nearly **CZK 507 million** by the NPI.

The SAO audit demonstrated that projects aimed at managing the education system, on which the Ministry spent nearly **CZK 507 million**, failed to achieve their objectives of improving educational quality, enhancing pupils’ performance in key competencies⁷⁷, or strengthening the strategic governance of schools. The MoEYS also repeatedly financed methodological support projects, but these were only minimally used by the target groups, and the anticipated positive impact on the quality of

⁷⁴ Audit No 16/31 – *Development and renewal of material and technical basis of state universities* (the audit report was published in Vol. 4/2017 of the *SAO Bulletin*).

⁷⁵ Section 2(c) of Decree No 560/2006 Coll., on the Participation of the State Budget in Financing Asset Reproduction Programmes.

⁷⁶ Equipment acquired at a purchase price of CZK 50,331,375.85 including VAT.

⁷⁷ A set of skills and knowledge that a pupil is expected to acquire in order to succeed in everyday life, further education, and employment.

regional education therefore did not materialise. The SAO consequently assessed these expenditures as ineffective. By contrast, the SAO evaluated the approximately CZK 230 million spent on the project for evaluating the education system as effective. The Ministry was also found to have made errors in the implementation of a public procurement procedure for the *Education Information System* and to have spent CZK 1.3 million in an uneconomic manner. With regard to support for the integration of Ukrainian pupils, however, the SAO found no shortcomings.

Out of the three audited systemic projects in the field of education system governance funded under the OP RDE call⁷⁸, the SAO found that two projects – P-RAP and P-SMP – failed to deliver the expected improvements in educational quality or pupils' performance. The projects were delayed or lacked proper timing coordination with related initiatives, meaning that some regions or schools were unable to make use of them in time. As a result, the projects generated almost no interest among the intended beneficiaries, who considered them unnecessary or did not perceive them as tools for improving school performance. The SAO assessed the public funds provided for them as having been spent ineffectively, since – according to evaluations by the target user groups – the projects failed to deliver the expected benefits..

Moreover, the SAO examined two projects focused on methodological support for schools in the area of strategic management, financed through the OP RDE and the OP JAK⁷⁹. Although one of the projects formally delivered the required outputs, its principal tool – the *Guide to Strategic and Action Planning* – was used only minimally, and no independent evaluation of the project was carried out. The SAO therefore considers the funds spent on this project to have been ineffective. The second project, aimed at creating a system of methodological support for the management of primary schools and kindergartens and their founders, had not been completed by the end of the audit. The SAO identified a risk of ineffective use of funds in this case as well, particularly due to uncertainty regarding the project's sustainability after its completion.

As part of the P-SMP project, funded by the MoEYS with approximately CZK 209 million, support centres providing methodological and individual assistance to schools were established in every region. However, over the 69 months of their existence, these centres have provided an average of just 1.65 individual consultations per school.

SUPPORT FOR THE EVALUATION AND GOVERNANCE OF THE REGIONAL EDUCATION SYSTEM IN THE CZECH REPUBLIC DID NOT PRODUCE THE EXPECTED IMPROVEMENT IN PUPILS' KNOWLEDGE AND SKILLS. FURTHERMORE, THE MINISTRY OF EDUCATION, YOUTH AND SPORTS REPEATEDLY FAILED TO EVALUATE THE DEGREE OF FULFILMENT OF LONG-TERM EDUCATIONAL OBJECTIVES, WHICH LIMITS THEIR USEFULNESS FOR THE STRATEGIC GOVERNANCE OF THE EDUCATION SYSTEM AND REDUCES THEIR INFORMATIVE VALUE.

IMPACT OF PREVIOUS AUDITS IN THE FIELD OF EDUCATION AND SPORT

As part of corrective measures adopted following Audit No 22/02⁸⁰, the MoEYS committed itself to ensuring that the NPI would use the outputs of projects focused on the digitalisation of education in preparing revisions of framework educational programmes. Some schools began voluntarily teaching according to the revised curricula from the beginning of the 2025/26 school year. Mandatory implementation is planned from the 2027/28 school year onward. The Ministry has also linked some project activities of the NPI with follow-up projects financed through the *National Recovery Plan*.

As part of measures arising from Audit No 23/04⁸¹, the NSA committed itself to annually preparing statistics evaluating the fulfilment of the objectives of support programmes under both investment and non-investment sports subsidies. However, this task has not yet been fulfilled, and the measure therefore cannot be regarded as implemented.

78 Projects audited: *Support for Regional Action Planning (P-RAP)*, *Strategic Management and Planning in Schools and Local Authorities (P-SMP)*, and the *Comprehensive Evaluation System* projects.

79 Operational Programme *Jan Amos Komenský*.

80 Audit No 22/02 – *State and EU funds earmarked for the support of digital education* (the audit report was published in Vol. 1/2023 of the *SAO Bulletin*).

81 Audit No 23/04 – *State funds earmarked for the support of sports and sports representation and state property and funds managed by the National Sports Agency* (the audit report was published in Vol. 3/2024 of the *SAO Bulletin*).

Financial support for education has not led to a demonstrable improvement in its quality

DESPITE THE SUBSTANTIAL INVESTMENTS OF THE MoEYS IN PUBLIC UNIVERSITIES, THERE HAS BEEN NO MEASURABLE IMPROVEMENT IN THE QUALITY OF EDUCATION.

The MoEYS has not structured its funding in a way that would allow for an assessment of the investment benefits in the infrastructure of public universities.



CZK 30.26 billion
the total amount of financial support



600
projects



26
public universities

”

The support was monitored primarily in terms of compliance with formal requirements, rather than the results achieved. Therefore, it was not possible to assess the extent to which the infrastructure of public universities had been developed and renovated.

This approach was also reflected in the implementation of individual projects:



Public universities have violated the subsidy decision in 9 of the 13 audited projects, i.e. 69%.



CZK 250 million

spent on the Support for Regional Action Planning project

- the results were retrospectively adjusted so that the project would formally meet the set requirements, even though its actual impact was negligible

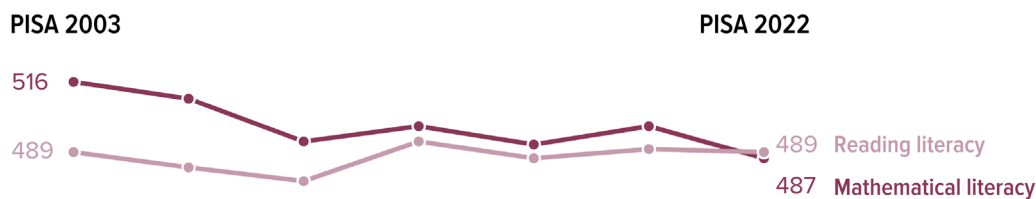


CZK 48 million

spent on the Methodological Support for Action Planning project

- the project did not contribute to improving the quality of education
- low utilisation rate

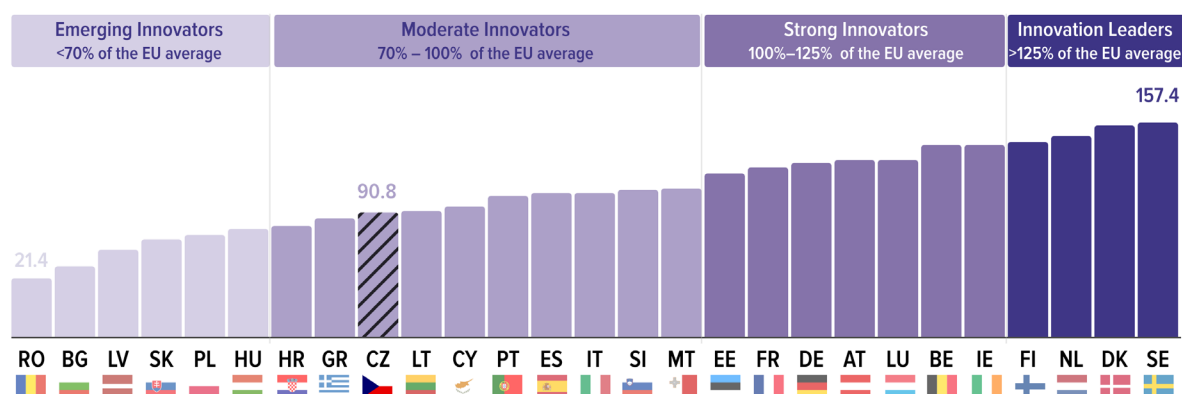
Although the performances of Czech students remain above average in the international PISA assessment, their overall scores are declining



4.7 RESEARCH, DEVELOPMENT AND INNOVATION

One of the driving forces of the economy is the field of research, development and innovation (RDI), which, if appropriately targeted, can strengthen the competitiveness of the Czech Republic. The state spends tens of billions of Czech crowns on this area every year, making it essential to assess whether these funds produce a real and measurable impact. According to the European Innovation Scoreboard (EIS)⁸², the Czech Republic has long been classified among the “moderate innovators,” while the pace of improvement lags behind that of most other member states of the European Union. This trend jeopardises the fulfilment of the country’s strategic objective of becoming one of the EU’s innovation leaders by 2030⁸³.

Chart 19: Summary Innovation Index according to the EIS 2025



In 2025, the SAO completed three audits in the area of research, development and innovation focused on:

- targeted support of research, development and innovation (Audit No [24/17](#));
- support for the participation of Czech research teams in the *Horizon* programmes (Audit No [24/29](#));
- support for applied research, experimental development and innovation in the field of transport (Audit No [24/30](#)).

SUPPORT FOR RDI

Between 2021 and 2023, the CSF and the TACR allocated approximately **CZK 29.8 billion** to targeted RDI funding (i.e. 58% of the total targeted funding provided from the state budget) and supported a total of 9,564 projects.

As part of Audit No [24/17](#), the SAO examined how the Czech Science Foundation (CSF) and the Technology Agency of the Czech Republic (TACR) managed state budget funds allocated during the years 2021–2023 to basic research (CSF) and applied research, development and innovation (TACR). The SAO focused in particular on whether support was directed toward strategic areas, the citation rates of research results in scientific publications, the number of patents filed, and the extent of cooperation between the two agencies. The audited volume of funds at the systemic level amounted to **CZK 13.4 billion** for the CSF and approximately **CZK 16.4 billion** for the TACR. In the sample of ten selected projects reviewed by the SAO, the audited volume totalled almost **CZK 131 million** for the CSF and more than **CZK 51.6 million** for the TACR.

⁸² [European Innovation Scoreboard 2025](#).

⁸³ The Czech Republic's objective of becoming an Innovation Leader is enshrined in the *Innovation Strategy of the Czech Republic 2019–2030*.

The SAO found that, although both agencies provided almost CZK 30 billion in public support for research, development and innovation between 2021 and 2023, the Czech Republic still failed in 2025 to reach even the average innovation performance of the EU⁸⁴, let alone approach its goal of becoming an innovation leader. The CSF failed to direct support for basic research toward strategic areas in a way that would ensure continuity and practical application of research results in subsequent stages of the innovation process. The citation impact of basic research results in prestigious scientific publications did not even reach half of the European average. In the field of applied research, the TACR failed to ensure broader cooperation between the public and private sectors or to increase the number of patents. The SAO had already criticised in Audit No 16/19⁸⁵ the fact that support was not directed toward strategic areas and that the two agencies failed to cooperate. Although the reform of the RDI system simplified the structure of support providers from 22 institutions to nine, the support system remains fragmented.

The quality of basic research, measured primarily through citation impact, did improve, but only slowly. Since 2019, the share of articles funded by the CSF that ranked among the top 10% most cited publications worldwide increased from 8.48% to 8.93% in 2023. Nevertheless, this still remained below both the global average and even half of the European average.

Although the number of applied research outputs increased by 31% between 2017 and 2023, the number of patents declined. In 2019, projects supported by the TACR produced 113 patents, whereas by 2023 the number had fallen to only 65.

The budget of the TACR increased from less than **CZK 3 billion** in 2017 to almost **CZK 6 billion** in 2023. Although the TACR sought to support projects with practical applications and strengthen cooperation between the public and private sectors, the volume of private-sector resources invested in public research declined.

BECAUSE THE CZECH SCIENCE FOUNDATION AND THE TECHNOLOGY AGENCY DID NOT ACTIVELY COOPERATE, THE SUPPORT SYSTEM WAS NOT EFFECTIVELY INTERCONNECTED AND THE LINKAGE BETWEEN BASIC AND APPLIED RESEARCH WAS NOT ACHIEVED. AS A RESULT, THE INNOVATION PERFORMANCE OF THE CZECH REPUBLIC DID NOT IMPROVE, REDUCING THE EFFECTIVENESS OF THE FUNDS SPENT. ACTIVE COOPERATION BETWEEN THE TWO AGENCIES COULD ALSO HAVE STRENGTHENED THE INTERNATIONAL COMPETITIVENESS OF THE CZECH REPUBLIC IN THE FIELD OF INNOVATION.

HORIZON PROGRAMMES

As part of Audit No 24/29 in the field of research, development and innovation, the SAO examined how the MoEYS provided state budget funding during the years 2016–2024 for information and advisory support intended to facilitate the participation of Czech research organisations in the EU's framework research programmes. The audit focused on the INTER-INFORM subprogramme (2016–2020) and the CZERA and CZELO shared activities projects (2021–2027)⁸⁶. These instruments were intended to strengthen the ability of Czech research organisations to participate in activities within the *European Research Area* (ERA). The audit covered the MoEYS and 12 projects implemented by eight beneficiaries of targeted support, which together spent more than **CZK 427 million** on these projects. As of 30 November 2024, the MoEYS had provided more than **CZK 604 million** in total support for all 33 projects.

The success rate for the 1,024 project proposals under the now-completed INTER-INFORM sub-programme reached an average of 40%. As part of the ongoing CZERA joint activities project, the success rate has risen to 60%, i.e. by 20 p.p.

The SAO found that the public funds provided for expert support to applicants seeking grants from international research programmes produced the expected effect, namely contributing to increased participation of Czech research teams in such programmes. At the same time, the cost per individual

84 [EIS interactive tool 2025 | Research and Innovation.](#)

85 Audit No 16/19 – *State funds earmarked for purpose-built support of research and development via the budget chapter the Grant Agency of CR – Czech Science Foundation* (the audit report was published in Vol. 3/2017 of the SAO Bulletin).

86 Full title of the CZERA shared activities project: “*Intensification of integration of research and innovation ecosystem of the Czech republic into the European Research Area and support of an intensive international collaboration of the Czech research organisations and companies in research, development and innovation.*”

expert assistance provided declined. However, the SAO also identified shortcomings. For example, the MoEYS failed to establish concrete guidelines for project evaluation, resulting in significant discrepancies between reviewers' assessments. In another case, the Ministry approved for implementation a project that had not been recommended, justifying the decision by the need to utilise unspent allocations.

Within the audited sample, the success rate of project proposals under the INTER-INFORM subprogramme averaged approximately 40% (247 out of 623 assessed proposals). The success rate of project proposals⁸⁷ in obtaining support from the *Horizon Europe* framework programme in the 2021–2024 period – where applicants had received expert advisory support or consultations under the follow-up CZERA shared activities project – increased to approximately 60% (239 out of 401 consulted proposals). This higher success rate was made possible by changes in the principles according to which support was provided.

The MoEYS failed to establish indicators or metrics for measuring the effectiveness of the support provided or the achievement of expected outcomes during the preparation, evaluation, and approval of projects. Furthermore, vague instructions for project evaluators resulted in contradictory assessments, for example regarding the qualifications of project teams or the expected benefits of projects.

THE SAO IDENTIFIED AN INEFFECTIVE CONTROL SYSTEM AT THE MINISTRY OF EDUCATION, YOUTH AND SPORTS, WHICH DURING THE ENTIRE EIGHT-YEAR AUDITED PERIOD DID NOT CARRY OUT A SINGLE PUBLIC ADMINISTRATIVE INSPECTION OF BENEFICIARIES. AS A RESULT, IT WAS UNABLE TO DETECT THEIR VIOLATIONS OF REGULATIONS OR FAILURES TO MAINTAIN A SUFFICIENT AUDIT TRAIL FOR ELIGIBLE EXPENDITURE.

RESEARCH AND INNOVATION IN TRANSPORT

As part of Audit No [24/30](#), the SAO examined how the MoT and the TACR provided state budget funds during the years 2020–2024 under the TRANSPORT 2020+ programme, intended to support applied research, experimental development, and innovation in the field of transport. The programme's research results were expected to be implemented in practice, thereby contributing, among other things, to strengthening the competitiveness of the Czech Republic in this sector. The audit covered the MoT as the programme guarantor (and in some cases also as the application guarantor) and the TACR as the provider of targeted support. The SAO also audited a sample of ten implemented projects at ten beneficiaries. The audited volume of funds at the system level amounted to nearly **CZK 1.8 billion**, while the audited amount at project level totalled almost **CZK 132 million**.

The SAO found that the effectiveness of support provided under the TRANSPORT 2020+ programme was unverifiable and transparency was low. The MoT failed to establish suitable criteria and indicators for objective evaluation of the programme's objectives and impacts and set only a short time horizon for assessing outcomes. As a result, many projects will be evaluated at a stage when their actual practical benefits cannot yet realistically be known. The TACR also failed to establish clear rules for the project proposal evaluation system, which resulted in a lack of transparency in project selection. Although the audited projects achieved their planned research and development outputs, these outputs did not always lead to the expected benefits or practical implementation. In half of the ten audited projects, the SAO identified problems reducing effectiveness, and in nearly one third it also identified issues affecting the economy of spending.

87

The beneficiary recorded the success rate only for project proposals in which applicants acted in the role of coordinator.

The MoT set the period for interim evaluation of project result implementation at only three years. However, four of the ten audited projects had implementation periods – meaning the period during which their results were expected to be used in practice – lasting considerably longer, ranging from four to seventy-six years. In these cases, the Ministry will not be able to evaluate the true impact of the funds spent within the prescribed three-year timeframe.

In two of the three audited projects where the MoT acted as the application guarantor, project outputs were not implemented in practice. Although the application guarantor⁸⁸ is supposed to ensure practical use of project results, responsibility formally remains with the beneficiary. However, this creates a risk of reduced effectiveness of the funds provided and spent, which the audit confirmed.

The Research, Development and Innovation Information System (IS RDI; IS VaVal in Czech) is considered the sole authorised, complete, and binding source of information on publicly funded research, development, and innovation projects. The SAO identified incorrect data in eight out of ten audited entries published in this system. Since providers are responsible for the accuracy and timeliness of submitted data⁸⁹, the findings indicate that the TACR did not consistently verify the correctness of information submitted and published by beneficiaries.

For one of the projects, the beneficiary received funding of almost **CZK 16 million** to develop a digital system for recording road closures. The project achieved its planned objectives and results, but the MoT failed to ensure that these were put into practice and, on the contrary, commissioned the development of a different IS.

THE WEAKNESSES OF THE RESEARCH, DEVELOPMENT AND INNOVATION SUPPORT SYSTEM WERE ALSO REFLECTED IN THE TRANSPORT 2020+ PROGRAMME, PARTICULARLY THROUGH UNCLEARLY DEFINED RULES FOR BOTH PROJECT SELECTION AND EVALUATION. THE TACR ALSO LEFT THE DETERMINATION OF PERSONNEL COST LEVELS TO BENEFICIARIES, WHICH RESULTED IN PERSONNEL COSTS IN THE PRIVATE SECTOR BEING TWICE AS HIGH AS THOSE AT UNIVERSITIES. THE RULES FOR TRANSFERRING COSTS WITHIN PROJECT BUDGETS WERE ALSO POORLY DEFINED.

⁸⁸ It was the obligation of applicants for support to secure at least one application guarantor for their project proposal.
⁸⁹ Article 4(e) of the Operational Rules of the Research, Development and Innovation Information System (IS RDI).

Public Support for Research and Innovation: the achieved results fall short of the goal of making the Czech Republic an Innovation Leader

CSF AND TACR DO NOT PROVIDE SUFFICIENT INTERCONNECTION BETWEEN RESEARCH AND ITS PRACTICAL USE.

The private sector's share of TACR projects declined between 2017 and 2023, while public funding grew at a faster rate

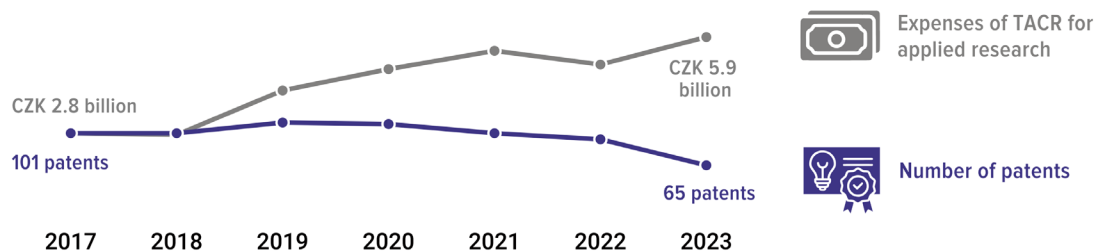


32% → 23%

”

The involvement of the private sector is a key prerequisite for the application of research findings. Faster growth in public funding coupled with slower growth in the area of private funding changes the structure of support and weakens the link between research and its practical application.

TACR expenses are rising whereas the number of patents is declining: change index relative to 2017



THE MINISTRY OF TRANSPORT DOES NOT ENSURE SUFFICIENT IMPLEMENTATION OF THE RESULTS OF THE TRANSPORT 2020 PROGRAM PROJECTS.

The project evaluation system prioritises formal compliance with set requirements over actual benefits



1 out of 3 projects

The Ministry of Transport was supposed to ensure that the results of three projects were put into practice. However, in reality, the results were implemented in only one of them. This situation limits the ability of the public support system to reflect actual innovation impacts.

4.8 ENVIRONMENT

Climate protection and the reduction of greenhouse gas emissions remain among the long-term priorities of the European Union arising from international commitments, particularly the *Paris Agreement* and the *United Nations Framework Convention on Climate Change*⁹⁰. In response to these commitments, the EU – including the Czech Republic – has adopted measures aimed at achieving climate neutrality by 2050. As one of Europe’s largest emitters per capita, the Czech Republic has, for example, adopted the [National Energy and Climate Plan](#). To support investments in renewable energy sources (RES), the country uses various operational programmes, the National Recovery Plan (NRP), and the Modernisation Fund (MF). The CR’s target⁹¹ is to achieve a 30% share of renewable energy in final energy consumption by 2030, while the share in 2023 stood at [18.6%](#). As noted in the [Europe’s Environment 2025](#) report, achieving this target by 2030 will be difficult.

SUPPORT FOR RENEWABLE ENERGY SOURCES

In 2025, the SAO completed Audit No [24/06](#), examining activities carried out between 2021 and 2023 by the MoE and the SEF related to the MF funds earmarked to support renewable energy sources under the RES+ programme⁹². At the Ministry of Industry and Trade (MoIT), the audit focused for example on the interim fulfilment of the objective of “increasing the share of RES in gross final energy consumption,” the operational support parameters for RES, and the volume of operational support provided during the audited years. The audit covered four RES+ programme calls⁹³, 12 photovoltaic power plant (PVPP) projects, and 12 selected subsidy beneficiaries. The audited value of the reviewed projects amounted to **CZK 113 million**.

The SAO found that achieving the target of a 30% RES share by 2030 will require connecting PVPP installations with a target installed capacity of 10.1 GWp and wind power plants with a capacity of 1.5 GW to the grid. However, the MoE and the SEF supported exclusively PVPP projects under the RES+ programme. Projects financed through the four audited calls, supported by CZK 12 billion in subsidies, are expected to double the installed photovoltaic capacity in the Czech Republic compared to 2022, when installed capacity reached 2.1 GWp. Their planned newly installed capacity totals 2.2 GWp. As a consequence, no funding remains within this programme for other renewable energy sources. Moreover, the SEF paid out⁹⁴ CZK 31.1 billion from the MF to support PVPP for households and public buildings – representing 95% of the total CZK 32.8 billion distributed. Yet these installations contribute five times less to increasing installed RES capacity than projects implemented by business entities. The audit also found that the MoE and the SEF provided insufficient incentives for investments in electricity storage. Investments in newly installed capacity of renewable energy sources, which were supported by the first four audited calls under the RES+ programme, include new battery storage capacity of electricity at only 7% of the planned installed capacity of photovoltaic power plants.

The MoE and SEF set the subsidy conditions in such a way that businesses received an average of CZK 5,500 per kWp of PVPP capacity, whereas households, local authorities and organisations established by them received an average of CZK 29,700 per kWp of PVPP capacity. The contribution of solar power plants to increasing the installed capacity of RES is therefore five times lower for households.

The Czech Republic justified to the European Investment Bank planned investments in PVPP projects financed from the RES+ programme amounting to **CZK 73 billion**, representing 95% of the latest estimated allocation of the programme through 2030. This effectively means that no funding remains within the programme for other renewable energy sources such as wind, hydro, biomass, or biogas.

Because the MoE and the SEF favoured projects from the Czech coal regions⁹⁵ in competitive calls under the RES+ programme for projects above 1 MWp, more cost-effective projects located in other regions did not receive support. Coal regions therefore obtained 86% of the **CZK 8.7 billion** allocated through competitive calls, whereas in non-competitive calls for projects below 1 MWp – where no such preference applied – their share

90 *Paris Agreement* (2015), *United Nations Framework Convention on Climate Change* (1992).

91 Resolution of the Government of the Czech Republic No 960 of 18 December 2024 concerning the update of the *National Energy and Climate Plan of the Czech Republic*.

92 The *New Renewable Energy Sources in the Energy Sector* programme (RES+).

93 RES+ Calls No 1/2021, 2/2021, 1/2022, and 2/2022.

94 State as at 30 June 2024.

95 The Karlovy Vary Region, Moravian-Silesian Region, and Ústí nad Labem Region.

amounted to only 24% of **CZK 3.3 billion**. As a result, installed PVPP capacity in coal regions is expected to increase more than sixfold compared to 2022, while in the remaining regions growth will amount to only one third.

Three quarters of the support distributed through the audited RES+ calls were awarded to 15 beneficiaries or interconnected economic groups for 219 projects with a total subsidy amount of **CZK 9.1 billion**. The single largest beneficiary is to receive support amounting to **CZK 4.4 billion** for 49 projects.

AS RES ENERGY CAPACITY CONTINUES TO EXPAND, DEMANDS FOR THE DEVELOPMENT OF TRANSMISSION ARE ALSO INCREASING, TOGETHER WITH DEMANDS FOR DISTRIBUTION GRIDS, AND ELECTRICITY STORAGE CAPACITY. THE SAO CONCLUDED THAT IT WILL BE DIFFICULT TO ACHIEVE THE EXPECTED STORAGE CAPACITIES OF BATTERIES WITH A TOTAL CAPACITY OF 925.4 MWH AND ELECTROLYSERS WITH A CAPACITY OF 2,410 NM³/H.

Measures adopted

The MoIT and the MoE committed themselves to the following measures:

- The MoIT, in cooperation with the MoE and the SEF, will pursue comprehensive implementation of the targets to build 10.1 GWp of photovoltaic installations and 1.5 GW of wind power capacity by 2030. In addition to financial support, the MoIT intends to use legislative and administrative measures – for example simplification of permitting procedures – as well as incentives for investors and consumers to use renewable energy through energy-saving requirements and increased energy self-sufficiency.
- In upcoming calls, consideration will always be given to whether and through which parameters a balance can be ensured between efficient use of public funds and the involvement of a broader range of investors.
- For future calls and proposed conditions that could include geographical preferences for projects, the MoE together with the SEF will, in addition to drafting the call itself, also prepare an assessment of the potential impact of such preferences on the financial efficiency of the call, an estimate of impacts on geographical distribution, and proposals for limiting measures.

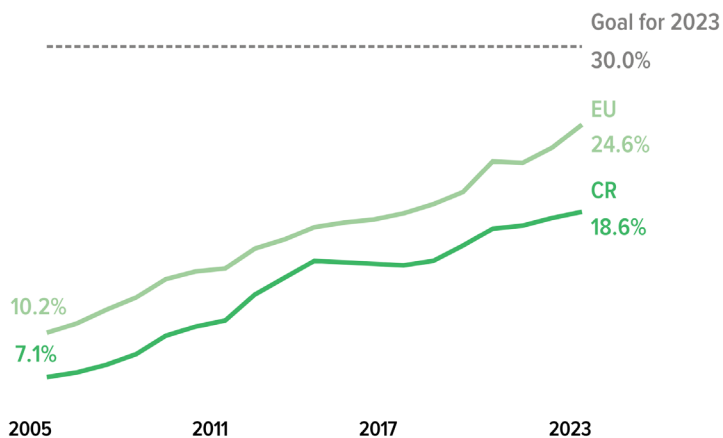
IMPACT OF A PREVIOUS AUDIT IN THE AREA OF THE ENVIRONMENT

Audit No **23/07**⁹⁶ identified a case of misuse of EU funds in which an applicant provided false information in an application for a subsidy to acquire a sweeping truck intended to reduce dust pollution. The irregularities concerned the size of operating premises, particulate emission values, and handling of loose materials. Furthermore, the purchased machine did not correspond to the approved project documentation and was not used in the declared location or for the intended purpose. As part of the cooperation between the SAO and the European Public Prosecutor's Office (EPPO), which proved to be an effective instrument for protecting the financial interests of the European Union, the SAO submitted a notification for investigation in April 2024. The judgment was based on a plea agreement because the defendants admitted guilt on all charges. The court approved financial penalties amounting to EUR 120,000 for both the managing director and the company and also imposed multi-year bans on receiving subsidies. The defendants fully compensated the damage caused.

Despite the need to develop other technologies, support for renewable energy sources from the Modernisation Fund was focused exclusively on photovoltaic power plants

IN THE YEARS 2021–2023, THE MoIT HAS PROVIDED APPROXIMATELY CZK 73.8 BILLION IN OPERATIONAL AID FOR RENEWABLE ENERGY SOURCES, MOST OF WHICH WENT TO PHOTOVOLTAIC POWER PLANTS BUILT MORE THAN 10 YEARS AGO WITH GUARANTEED SUPPORT UP TO 2030.

Achieving the 30% renewable energy target by 2030 depends on the installation of 10.1 GW of photovoltaic power plants and 1.5 GW of wind power plants.



CZK 12.7 billion

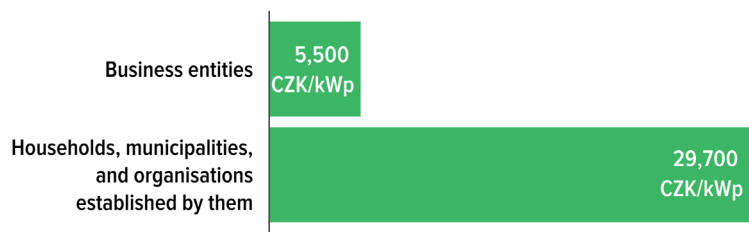
was allocated by the SEF under the RES+ programme

- projects from four audited calls will double the capacity of photovoltaic power plants in the Czech Republic compared to 2022, when it stood at 2.1 GWp
- their new planned installed capacity is 2.2 GWp
- there will be no funds left for other renewable energy sources in this programme

” The SAO analysed the composition of aid recipients among entrepreneurs. It found that more than CZK 9 billion of the audited RES+ calls was awarded to just 15 recipients, covering 219 of the 725 supported projects. The largest recipient is set to receive CZK 4.4 billion in aid for 49 of their projects.

75%

CZK 9 billion



” The SAO found that the conditions for photovoltaic power plant support set by the MoE and the SEF led to significant differences in subsidies. Therefore, even with the same level of support, the benefits of photovoltaic power plants in the public and residential sectors are five times lower than those of commercial projects.

4.9 AGRICULTURE

The agricultural sector encompasses a wide range of activities, from crop and livestock production to land and natural resource management. As part of its audit work in this area, the SAO focused especially on forestry, which represents a significant part of the agricultural sector in terms of state property management and environmental impacts.

In the field of forestry, the state – acting through the Ministry of Agriculture (MoA) – set objectives aimed primarily at restoring forest stands after natural disasters, promoting more diverse and climate-resilient forests, increasing the share of domestically processed harvested timber, and stabilising the economic situation of forest owners. The MoA incorporated these objectives into its subsidy schemes and other support measures.

In recent years, the forestry sector has been facing a difficult situation as a result of climate change, drought and extreme weather, which have reduced the resilience of forest ecosystems and led to the spread of large-scale forest damage. The MoA is supposed to contribute to the adaptation of forests to these changes through subsidy instruments; however, the SAO audit showed that the setting and implementation of support were not sufficiently effective.

FORESTRY

In 2025, the SAO completed Audit No [24/16](#), in which it reviewed support for forestry financed from both European and national sources between 2014 and 2024, amounting to almost **CZK 32.7 billion**, in order to verify whether these funds had indeed contributed to forest restoration following natural disasters and to the adaptation of forest management to the impacts of climate change. The audit was carried out at the MoA, SAIF and Lesy České republiky, s. p. (*Forests of the Czech Republic, state-owned enterprise*), and covered a selected sample of projects worth **CZK 207.4 million**.

The audit found that the MoA had neither continuously monitored the achievement of strategic and policy objectives nor systematically evaluated the benefits of the support provided. Many of these goals were not achieved. Given that the strategic documents themselves did not contain measurable indicators or time-bound targets that would allow for an objective assessment of their implementation, the SAO evaluated the fulfilment of the objectives set out in the *Implementation Document for the State Forestry Policy Strategy until 2035*, which translates strategic objectives into operational measures linked to the support provided. Only eight of the seventeen deliverables set out in the implementation document were completed by the scheduled deadlines between 2021 and 2024. Deficiencies were also identified with regard to the operational objectives of the *Rural Development Programme 2014–2020*. Only 23.4% of the planned area was achieved based on the measure *Afforestation and Creation of Woodland*, while merely 15.5% of the planned funding was disbursed under the measure aimed at supporting biodiversity. These results confirm the limited contribution of the support to the achievement of the set environmental objectives.

Between 2022 and 2024, both state and private forest owners met the conditions of the programme to support the adaptation of forest ecosystems to climate change, but did not receive any funding because the programme was cancelled by the MoA. The estimated volume of funds amounted to **CZK 17.4 billion**⁹⁸.

The SAO also found that the MoA had failed to take advantage of the opportunity to finance the adaptation of forest ecosystems to climate change from European Union funds. Although the subsidy scheme had been approved by the European Commission, the MoA cancelled it in July 2024 without providing any alternative, citing cuts in the state budget. The cancellation jeopardised the achievement of the strategic objectives of forestry policy and also had a negative impact on forest owners, who had been complying with the scheme's conditions for two and a half years without receiving any support.⁹⁷

97 See the website of the Association of Municipal, Private and Church Forest Owners in the Czech Republic: <https://www.svol.cz/pro-vlastniky/podpory-a-dotace/198-adaptace-lesnich-ekosystemu-2022-2026-zruseni-vyzvy> and <https://www.svol.cz/aktuality/237-misto-penez-na-adaptaci-lesu-se-stat-chysta-utracet-za-dalsi-narodni-park>.

98 European Commission document: *State aid SA.103979 (2022/N) – Czech Republic: Supporting the adaptation of forest ecosystems to climate change*. See [SA_103979.pdf](#).

The audit also revealed violations of the rules governing the allocation of subsidies under the *Rural Development Programme 2014–2020*. The MoA set the conditions for support aimed at remedying flood damage in contradiction with the binding programming document approved by the European Commission. Although the programming document stipulated that a maximum of two years could elapse between the flood and the submission of a subsidy application, the MoA extended this period to three years in the rules governing the provision of subsidies. As a result, the SAIF wrongly reimbursed expenditure totalling **CZK 9.71 million** for three projects (out of the twelve audited), as more than two years had elapsed between the flood and the submission of the relevant subsidy applications. The SAIF reimbursed a further **CZK 9.78 million** in unauthorised and ineffective expenditure related to the post-flood repair of forest roads in connection with projects that did not correspond to the declared purpose of restoring flood damage.

The SAO identified deficiencies relating to the effectiveness of expenditure on preventive measures in Lesy České republiky (*Forests of the Czech Republic company*). Of the 17 dry reservoirs originally planned for the retention of precipitation and flood flows, only four were actually built, achieving 47% of the originally planned retention capacity, while the functionality of two of these reservoirs was further reduced by inadequate maintenance. In one of the projects, the SAO also found that technical obstacles impeding the flow of water had been created in the riverbed, thereby undermining the declared purpose of the measure.

THE MoA FAILED TO MONITOR AND EVALUATE THE ACHIEVEMENT OF OBJECTIVES OR THE BENEFITS OF THE SUPPORT PROVIDED. CERTAIN PARTIAL STRATEGIC GOALS AND OBJECTIVES OF THE RURAL DEVELOPMENT PROGRAMME IN THE FIELD OF FORESTRY WERE NOT ACHIEVED.

IMPACTS OF PREVIOUS SAO AUDITS IN THE FIELD OF AGRICULTURE

As part of **Audit No 23/06**,⁹⁹ the SAO identified, amongst other things, deficiencies in the formulation of subsidy conditions and requirements imposed on beneficiaries, as well as deficiencies in the administrative and control system, all that in relation to the provision of subsidies under the *Rural Development Programme 2014–2020*. The audit focused on selected measures under the programme funded by the state and the EU, in particular support for investment by agricultural enterprises and support for non-agricultural activities and agritourism. The deficiencies identified had a negative impact on the effectiveness of public spending. In response to the results of the SAO audit, both the MoA and the SAIF adopted measures that have partially improved the system of granting subsidies and reduced the bureaucratic burden. For example, the MoA revised the criteria for selecting projects for co-financing from the EU budget under the CAP Strategic Plan for the 2023–2027 period; both the MoA and the SAIF adopted internal standards to establish procedures ensuring compliance with the obligation to report facts indicating the commission of a criminal offence to law enforcement authorities and reduced the frequency of monitoring reports submitted by subsidy beneficiaries.

In its **Audit No 23/31**¹⁰⁰, the SAO highlighted incorrect data regarding ongoing land consolidation projects in the publicly accessible *Land Consolidation Overview* application, which was used by the State Land Office (SLO) for the planning and financial management of land consolidation projects. The proportion of incorrect and incomplete data was almost 70%. From 2025, the SLO introduced a new information system that centralises data relating to land consolidation records; given the scope of the recorded data and the established links and checks, it should ensure data accuracy and enable more efficient management of the land consolidation planning process.

The SAO repeatedly pointed out (as early as **Audit No 14/40**¹⁰¹) that preference had been given to projects involving the construction and reconstruction of field roads over projects supporting biodiversity, environmental protection and adaptation to climate change. The MoA, in collaboration with the SLO, reassessed the priorities for land consolidation and increased the proportion of implemented state-supported land consolidation projects with an environmental focus.

99 Audit No 23/06 – *State and EU funds spent on measures of the Rural Development Programme for the period 2014–2020* (audit report published in the *SAO Bulletin* Vol. 1/2024).

100 Audit No 23/31 – *State and EU funds earmarked for land improvements* (audit report published in the *SAO Bulletin* Vol. 1/2025).

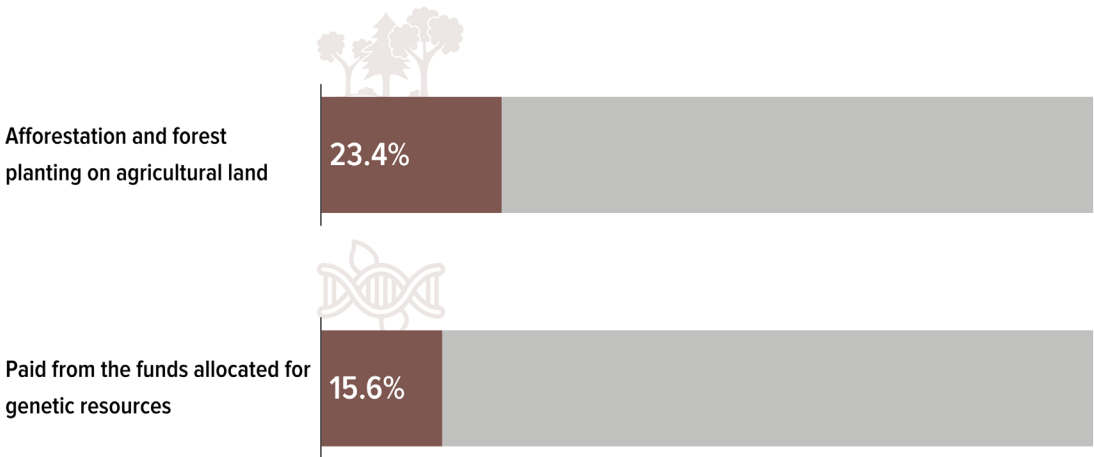
101 Audit No 14/40 – *Funds earmarked for remittance of costs for land area amendments* (audit report published in the *SAO Bulletin* Vol. 2/2015).

The government spent CZK 32.7 billion on forestry support without having clearly defined what it wanted to achieve or what it had actually achieved

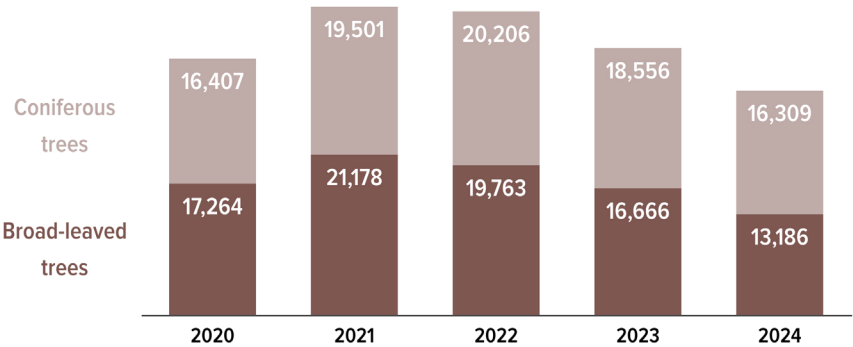
MoA NEITHER MONITORED NOR EVALUATED THE ACHIEVEMENT OF THE OBJECTIVES OR THE BENEFITS OF THE SUPPORT PROVIDED. SOME OF THE SPECIFIC POLICY OBJECTIVES AND THE OBJECTIVES OF THE RURAL DEVELOPMENT PROGRAMME IN THE AREA OF FORESTRY WERE NOT MET.

8 out of the 17 specific targets listed in the Action Plan for Concept of State Forestry Policy through 2035 were not met by the deadline

Degree of achievement of selected operational objectives set out in the Rural Development Programme 2014–2020



Since 2021, there has been a downward trend in forest coverage (in hectares)



5. INSTITUTIONS' FINANCIAL MANAGEMENT

As part of its audit and analytical work, the SAO scrutinises, in addition to significant expenditure policies, the area of state institutions' management of state property and funds which they spend to ensure the operation and fulfilment of their tasks. Recently, the SAO has focused its audits primarily on the main areas of expenditure under government policies; consequently, audits of the financial management of state institutions also form part of its audits. In 2025, the SAO completed a total of four audits targeting:

- the financial management by state organisational units (Audit No [24/15](#) was carried out at the ERO, Audit No [24/25](#) and the SIDC, and Audit No [24/32](#) at the Czech LO);
- the winding-up of state-owned enterprises (Audit No [24/21](#)).

The results of the SAO audits completed in 2025 confirm that there is still significant scope for improving the effectiveness and economy of public spending in the area of the procurement of assets and services. In the performance of their tasks, the audited entities sometimes managed the state funds ineffectively and uneconomically. They paid for external services that should have been covered by their own staff, purchased items that were later not used or utilised, and incurred additional costs for ICT services. The SAO also pointed out the possible significant savings in SIDC's operating expenses.

In Audit No [24/04](#), the SAO concluded that the MoI had spent a total of **CZK 109 million** uneconomically, as delays affecting the entire eSeL project had forced it to procure additional services (e.g. digitalisation and verification of legislation issued after 2020, expansion of architectural supervision services and operating support services).

As part of Audit No [24/08](#), focusing on sports centres under the remit of the MoI and the MoD, the SAO found that the OLYMP sports centre had spent approximately **CZK 1.7 million** on promotional activities in the form of wall and desk calendars. Since these expenditures were not necessary for ensuring quality conditions for national team athletes, the SAO assessed these funds as having been spent ineffectively. Furthermore, OLYMP spent more than **CZK 724 thousand** ineffectively on foreign business trips. Two of those trips were unrelated to its activities and did not serve to support the national team.

As part of Audit No [24/09](#), the SAO found that the General University Hospital (GUH) had spent more than **CZK 1.8 million** ineffectively and uneconomically on design documents for the construction of a central A&E department; the documents had not been used and could not be used in the future.

As part of Audit No [24/15](#), the SAO found that the Energy Regulatory Office had used external services for activities which, according to its internal regulations, should have been carried out by its own staff. For example, in the period from December 2021 to March 2023, it spent **CZK 2.3 million** on media consultancy and PR services, although it had its own communication and public relations specialists. Furthermore, between 2018 and 2023, it spent approximately **CZK 7.4 million** on specialist support services – including project management, the preparation of studies, mentoring services and project implementation. The ERO justified these expenses by stating that the authority was understaffed.

As part of Audit No [24/25](#), the SAO pointed out potential savings in the SIDC operating expenditure through greater use of the eReceipt (*ePrescription*) application. The SIDC spends a significant portion of its operating funds on e-prescriptions, which doctors send to patients via SMS messages. In 2024, it spent more than **CZK 33 million** on SMS prescriptions, which accounted for almost one fifth of its operating expenses. Nevertheless, it did not launch an information and media campaign to promote the use of the eReceipt application until 2025, almost five years after it was made available.

As part of Audit No [24/32](#), the SAO found that the Czech LO had spent more than **CZK 4 million** uneconomically, of which **CZK 3.8 million** had been used to procure comprehensive media support that over-

lapped with activities simultaneously carried out by its own staff. It also spent almost **CZK 234 thousand** on legal services, but was unable to prove that these services had actually been provided. The LO also used **CZK 34.7 million** ineffectively for personnel expenses instead of modernising workplace equipment.¹⁰²

The SAO also pointed out unutilised potential for maximising State revenues in the area of state property management. The audit results pointed to deficiencies in the way certain governmental institutions cared for the property entrusted to them. The irregularities concerned mainly the reduction in rental income.

As part of Audit No [24/18](#), the SAO found that the RMD had failed to take effective steps to modify unfavourable contracts for the rental of rest areas. Of the 35 lease contracts originating in the 1990s that were reviewed and which had been concluded without an inflation clause, the RMD's revenue in the 1990s amounted to approximately CZK **17.5 million**. In 2024, this figure dropped to less than **CZK 16.9 million**. The failure to negotiate an inflation clause resulted in a reduction in RMD's rental income by **CZK 471 million** from the time the contracts were concluded to 2024. (SAO found that the rent for newly opened rest areas was up to 28 times higher than that under the aforementioned long-term contracts from the 1990s.)

As part of Audit No [24/32](#), the SAO found that on six occasions, the LO had permitted the use of non-residential premises or parts of properties free of charge and without a contract. For example, in two cases it had provided movable property worth **CZK 448 thousand**, and in one case non-residential premises for the installation of a vending machine, without stipulating the amount of rent or any payment for the lease. In three other cases involving the rental of non-residential premises, it did not apply any inflation clause. The RMD also neglected the process of collecting two debts totalling over **CZK 157 thousand**, and thus allowed the debts to become time-barred.

Some of the detected irregularities were caused by inadequately functioning internal control mechanisms of the various state organisations. As shown by the audit results, some of the audited institutions did not have internal control systems in place capable of identifying, assessing and mitigating, in a timely manner, the risks associated with procurement procedures and the execution of financial transactions. It can be stated that if the internal control system of the audited entities had functioned properly, subsequent serious irregularities in their management that had led to ineffective and unecological management of funds would not have occurred.

As part of Audit No [24/09](#), the SAO found that the General University Hospital (GUH) had failed to carry out, properly and consistently, preliminary and ongoing management¹⁰³ checks¹⁰⁴ when it put tangible assets worth **CZK 351 thousand** into use even though they had not been installed, and had failed to identify inventory discrepancies during physical stock-taking in the 2020–2023 accounting periods.

As part of Audit No [24/15](#), the SAO found that the ERO, for example, had purchased mobile phones, tablets and smartwatches of a selected, higher-priced brand for its senior management, at a total cost of almost **CZK 261 thousand**, without providing a proper justification for the need for this purchase.

As part of Audit No [24/32](#), the SAO found that the Czech LO did not have a fully effective internal control system in place; this was reflected, *inter alia*, in deficiencies in inventory records and accounting, inconsistent procedures for concluding and publishing contracts, etc. Moreover, it had failed to take effective systemic measures after discovering that some of its employees had committed criminal activities for their own enrichment, thus causing damage of **CZK 13.3 million** to the LO.

THE SAO CONTINUES TO SEE ROOM FOR IMPROVEMENT IN THE ECONOMIC MANAGEMENT OF THE RELEVANT STATE INSTITUTIONS IN THE STRICT OBSERVANCE OF THEIR OBLIGATIONS, IN PARTICULAR THE REQUIREMENT THAT EVERY SIGNIFICANT EXPENDITURE OR ASSET TRANSACTION BE JUSTIFIED IN ADVANCE ON SUBSTANTIVE AND ECONOMIC GROUNDS, SUPPORTED BY A PRELIMINARY MANAGEMENT CONTROL AND ASSESSED IN TERMS OF THE BENEFITS ACHIEVED IN RELATION TO THE FUNDS EXPENDED.

¹⁰² See section 4.4 of this Annual Report.

¹⁰³ Section 26 of Act No 320/2001 Coll.

¹⁰⁴ Section 27 of Act No 320/2001 Coll.

The winding-up of state-owned enterprises is a measure designed to eliminate corporate structures that have long been non-functional or redundant. The existence of state-owned enterprises in liquidation is intended to be only a temporary arrangement leading to the settlement of assets and liabilities and to the transfer of the liquidation balance to the state's financial assets. It is therefore in the state's interest to ensure that the winding-up of these companies is completed consistently, as a prolonged liquidation process places a continued strain on public finances, creates increased demands on the performance of founding and supervisory functions, and entails persistent risks associated with the management of state assets.

WINDING-UP OF STATE-OWNED ENTERPRISES

In Audit No [24/21](#), the SAO focused on the winding-up of seven state-owned enterprises under the remit of the MoIT and MoA between 2020 and 2024. At the beginning of 2020, there were a total of 28 state-owned enterprises in liquidation within remit of these ministries; by 2024, this number had fallen to 13.

The SAO found that as of the end of 2024, the process of winding up seven selected state-owned enterprises¹⁰⁵ had been ongoing for between 8 and 23 years. In most cases, this was due to circumstances beyond the control of both the liquidator and the founder, such as protracted legal disputes. However, in the case of Cihlářské a keramické závody Teplice, s. p. (*state-owned enterprise*), in liquidation, the completion of the winding-up process has been prevented by enforcement proceedings to which the company became subject as a result of the inaction of its then-director, who was subsequently also appointed as liquidator. The SAO also pointed out that the MoIT had failed to perform some of the founder's duties.

In this capacity, the MoIT failed to carry out public administrative inspections of state-owned enterprises in liquidation or to approve their financial statements, even though this is its statutory obligation. By contrast, the MoA did carry out these inspections, but certain partial deficiencies were also identified in its case. For example, in the case of Státní statek Valtice, s.p. (*state-owned enterprise*), in liquidation, the MoA had information on the total value of the designated assets of the enterprise, but neither the Ministry nor the liquidator was able to identify the specific assets concerned.

An example of a situation where the liquidators did not always act with due diligence: The liquidator paid himself an invoice for **CZK 50 thousand** for financial consultancy. In another case, the liquidator reduced the rental income by approximately **CZK 111 thousand** by not applying the inflation clause.

Four out of the seven state-owned enterprises in liquidation breached legal regulations relating to accounting, asset inventories, the submission or publication of financial statements, or the maintenance of accounts with the Czech National Bank. In two cases involving two state-owned enterprises, the liquidators failed to act with due managerial care, resulting in a financial loss totalling **CZK 160 thousand**. The SAO did not find any instances of ineffective management of state assets or funds at the audited entities.

¹⁰⁵ The following entities were audited: Barvy a laky, state-owned enterprise „in liquidation“; Brněnské papírny, state-owned enterprise – in liquidation; Cihlářské a keramické závody Teplice, state-owned enterprise in liquidation; LAT – Levelling and Anchoring Technology, state-owned enterprise in liquidation; Státní statek Česká Kamenice in liquidation; Státní statek Jeneč, state-owned enterprise in liquidation; Státní statek Valtice, state-owned enterprise in liquidation.

6. MANAGEMENT OF RESOURCES PROVIDED TO THE CZECH REPUBLIC FROM ABROAD

During 2025, the SAO completed a total of **ten audits**¹⁰⁶, which also addressed the issue of spending funds provided to the Czech Republic from abroad. All these audits concerned money provided for co-financing of programmes and projects carried out with the European Union (see Table 7).

Within these ten audits, the SAO pointed out a number of irregularities related to support from EU funds. Deficiencies were identified both at the systemic level¹⁰⁷ and at the level of individual funded projects¹⁰⁸. The fundamental and recurring deficiencies can be divided into four basic groups.

In five audits, the SAO found that the national strategic documents contained a number of ambiguities and their objectives, as reflected at the programme and project level, were not sufficiently specific or measurable, or were not based on real needs for improvements in the area concerned. As a result, the necessary conditions were not put in place to address the actual priorities in the area in question.

One example is Audit No [24/13](#), in which the SAO found that, when preparing strategic documents and a programme for the development and renewal of the material and technical infrastructure of public universities, the MoEYS had failed to define clearly the intended improvements in teaching, the method for measuring success, and the criteria for assessing it. It was therefore unable to monitor how the **CZK 10 billion** spent from the *Research, Development and Education Operational Programme* had specifically improved teaching at universities. In the case of Audit No [25/02](#), the SAO found that the MoEYS had failed to perform its statutory obligation¹⁰⁹ to evaluate the degree of achievement of previous objectives and measures when drawing up long-term education plans. For example, *the Long-Term Plan for Education and the Development of the Czech Republic's Education System for the period 2019–2023* did not include a mandatory evaluation of outcomes achieved in the previous period (2015–2020); this limited its usefulness and informative value for the strategic management of the education system.

In one audit, the SAO found that the project evaluation and selection system was not transparent, or that the evaluation of projects had been carried out incorrectly. In another of its audits, the SAO noted that different conditions had been set for individual calls, which, for example, resulted in certain regions being favoured or in an inconsistent approach by beneficiaries to supplier selection.

Deficiencies in the project evaluation and selection system are illustrated by Audit No [24/13](#), in which the SAO identified six projects implemented under the OP RDE with EU funding exceeding **CZK 1.1 billion**, where the need for the construction and use of new facilities or for the purchase of teaching equipment had not been sufficiently justified. It is therefore not possible to assess the effectiveness of the funds spent in this way. In the case of Audit No [24/06](#), the conditions for the four RES+ calls under review, with a total subsidy allocation of **CZK 12 billion**, were defined inconsistently, meaning that most beneficiaries were not required to follow any rules when selecting suppliers. In the case of the RES+ programme's calls for proposals, projects from coal-mining regions were given preferential treatment (with a subsidy allocation of **CZK 8.7 billion**); this caused that certain more cost-effective projects from other regions did not receive funding. Compared with 2022, the total installed capacity of PVPPs in coal-mining regions increased more than sixfold, while in other regions it increased by only one third.

Five audits determined deficiencies in the design and functioning of the operational programmes' management and control systems. The set of monitoring indicators was insufficiently defined or was defined in such a way that it was not possible to systematically monitor and evaluate the projects' benefits. Such a situation ultimately makes it impossible to determine to what extent (if at all) the outputs of the supported projects contributed to achieving the desired state or the intended changes.

¹⁰⁶ The findings of the audits in Table 1 are set out in the previous sections of this Annual Report in accordance with their primary focus on the relevant expenditure areas. An exception was Audit No 24/05, which dealt with the cross-cutting issue of publicising the use of European Union funds. The results of this audit are discussed in more detail below.

¹⁰⁷ They include, in particular, various deficiencies in strategic and management documents, flaws in the project evaluation and selection system, and deficiencies in the design and operation of the management and control systems within the implementation structure.

¹⁰⁸ This area covers primarily ineligible expenditure, deficiencies in the 3E area and errors in tender procedures.

¹⁰⁹ Act No 561/2004 Coll., on Pre-school, Primary, Secondary, Higher Vocational and Other Education (Education Act), and Decree No 15/2005 Coll., laying down the requirements for long-term plans and annual reports.

In the case of Audit No [24/13](#), no specific objectives were set for five projects aimed at developing and renovating the material and technical infrastructure of public universities, which had received funding from the OP RDE in excess of **CZK 1 billion**; as a result, it was not possible to assess their contribution to improving the quality of the educational infrastructure. As part of Audit No [24/32](#), it was found that in projects aimed at improving the efficiency and quality of its operations and funded under the OPEm, the Czech Labour Office justified the extension of their implementation period (with the consent of the OPEm managing authority) on the grounds of the need to achieve the project objectives. Later it argued that longer project implementation times required increased personnel expenses. The Czech LO used at least **CZK 34.7 million ineffectively for personnel expenses instead of on the planned modernisation of equipment**.

In seven audits, the SAO found that the use of the subsidies often violated the 3E principles, so the projects' benefits fell short of the expected values. It was often the case that the effectiveness, efficiency and economy of spending was not assessed at all by the implementing bodies.

As part of Audit No [24/16](#), the SAO found that in breach of the set conditions, the State Agricultural Intervention Fund had approved and reimbursed subsidies to one beneficiary for two projects worth **CZK 9.78 million**, covering expenses for the reconstruction of forest roads damaged by floods. In both cases, however, there had been a significant change to the technical specifications of the original roads, i.e. violation of the conditions for the subsidy allocation (ineligible expenditure). Audit No [24/32](#) covered, *inter alia*, a project (receiving **CZK 1.0 billion** in funding from the OPEm) intended to help streamline and improve the quality of services provided by the Czech LO and to improve conditions for its staff. For example, as part of the project, the LO established 89 information centres and spent approximately **CZK 188 million** on staffing them, but without any plan for their long-term funding after the end of the project. As a result, only 17 information centres remained operational. This approach was fiscally irresponsible and inefficient.

Table 7: Representation of characteristic deficiencies in the results of the mentioned audits

Audit No	Programme	Shortcomings of strategic and management documents, programme documents were not based on real needs	Varied conditions for calls; non-transparent assessment of application system	Deficiencies in the set-up and functioning of the Management and control system, incorrectly set monitoring indicators for monitoring and evaluating the achievement of objectives	Handling of subsidies in violation of the 3Es, errors in the procurement process
24/04	IROP				⊖
24/05	OPTA, IROP, OP EIC	⊖			
24/06	MF		⊖		
24/07	NRP, IROP, OP EIC	⊖			⊖
24/10	IROP			⊖	⊖
24/13	OP RDE	⊖	⊖	⊖	
24/16	RDP, NRP	⊖			⊖
24/28	NRP, OPE			⊖	⊖
24/32	OPE			⊖	⊖
25/02	OP RDE, OP JAC	⊖		⊖	⊖

Source: chart prepared by the SAO, as of January 2026.

Notes: OP EIC – Operational Programme Enterprise and Innovation for Competitiveness, OPTA – Operational Programme Technical Assistance, RDP – Rural Development Programme.

PUBLICITY AND PROMOTION OF EUROPEAN PROGRAMMES

As part of Audit No [24/05](#), the SAO examined how state and EU funds had been spent between 2014 and 2023 on the promotion and publicity of selected European operational programmes (OPs) and projects. The audit covered the Ministry of Regional Development, the Ministry of Industry and Trade (MoIT), the Centre for Regional Development of the Czech Republic (CRD) and the Business and Innovation Agency (BIA). In aggregate, almost **CZK 650 million** was spent on the promotion and publicity of selected programmes during the period under review. The audit covered a total of 27 projects¹¹⁰, with the total expenditure equalling approximately **CZK 363 million**. The SAO also compared the MoRD's and the MoIT's expenditure on the promotion and publicity for sectoral operational programmes (IROP and OP EIC).

In the Joint Communication Strategy (JCS)¹¹¹, the MoRD and the MoIT, as the managing authorities for the Operational Programme, set out objectives to raise the overall profile of the cohesion policy and support from EU funds. Although they ultimately chose different approaches to achieving these objectives, the funds spent had a positive impact on the visibility of the supported projects, as well as on the general public's awareness and understanding of EU funds. A comparison between OP EIC and IROP revealed that support was directed primarily at the target group of applicants and beneficiaries; however, neither the MoIT nor the MoRD, as the managing authorities for these programmes, determined the extent to which individual programmes had contributed to achieving the objectives, nor did they evaluate the quality of the activities carried out.

- Within the framework of the rules, the MoIT chose a more economical approach to attaining the objective of promotion and publicity; this was based on the Commission's request and also ensued from pandemic measures. The MoIT spent **CZK 25 million¹¹²**, i.e. 16% of the approved funds, on the promotion and publicity of the OP EIC, whereas the MoRD spent **CZK 130 million**, i.e. 72% of the planned expenditure, on the promotion and publicity of the IROP. The MoIT developed its own capacity for communication activities (seminars, training courses, etc.) and focused primarily on engaging with the target group of applicants, i.e. potential beneficiaries.
- The SAO's analysis showed that, while the MoIT and MoRD spent comparable amounts on direct communication and publication activities (approximately **CZK 15 million**), there were significant differences in the other areas. For example, the MoRD, as the managing authority of IROP, spent **CZK 64.5 million** on advertising, i.e. approximately 18 times more than the amount expended by MoIT for OP EIC, **which equalled CZK 3.5 million**. The largest amounts were allocated for media campaigns, on which the MoIT spent **CZK 3 million** and the MoRD **CZK 51 million**.

THE SAO FOUND NO BREACHES OF THE RULES GOVERNING THE USE OF FUNDS FOR THE PROMOTION AND PUBLICITY OF THE PROGRAMME AT ANY OF THE AUDITED ENTITIES AND CONCLUDED THAT THE FUNDS SPENT HAD AN IMPACT ON AWARENESS OF THE SUPPORTED PROJECTS AND WERE SPENT EFFECTIVELY. ONLY MINOR DEFICIENCIES WERE IDENTIFIED IN THE AUDITED PROJECTS WITH REGARD TO PUBLIC PROCUREMENT.

¹¹⁰ Funding was provided for projects under the *Integrated Regional Operational Programme* – MoRD and the CRD, under the Operational Programme “*Enterprise and Innovation for Competitiveness*” – MoIT, and under the Operational Programme “*Technical Assistance*” – MoRD. (Unlike other operational programmes, which contribute directly to the achievement of the objectives set out in the Partnership Agreement, the OPTA serves a supporting role.)

¹¹¹ *Joint Communication Strategy for the European Structural and Investment Funds in the Czech Republic in the Programming Period 2014–2020*, issued by the MoRD, 2nd updated version as of 17 May 2016. Representatives of the managing authorities for the 2014–2020 operational programmes, covered by the Partnership Agreement and the National Coordination Body, agreed on this joint communication strategy.

¹¹² The low rate of utilisation of the limits specified in the common communication strategy at the MoIT is also due to the European Commission's request to minimise outsourcing, presented at the 3rd meeting of the OP EIC monitoring committee on 11 November 2015.

Status of EU funds absorption in the Czech Republic during the 2021–2027 Programming Period

The *Partnership Agreement for the 2021–2027 Programming Period* set the total allocation of EU budget funds for the Czech Republic at over **EUR 21.08 billion**¹¹³ (i.e. approximately **CZK 511.08 billion**¹¹⁴).

In the current programming period, the Czech Republic has been drawing down its allocated funding regularly and at a relatively fast pace. According to data published by the European Commission¹¹⁵ on the absorption of EU funds, the Czech Republic ranks in the top quarter of EU Member States.¹¹⁶ As at 31 December 2025, the Commission had reimbursed payment claims submitted by the Czech Republic in an amount exceeding **EUR 5 billion**, i.e. approximately **CZK 125 billion**. In view of this fact and also that none of the OPs is currently facing any serious problems, the SAO does not expect that the Czech Republic would be at risk of significant underspending of allocated funds.

The SAO addresses the issue of management of EU funds in the Czech Republic in detail in its annual *Report on the financial management of European Union funds in the Czech Republic* (EU Report), which it has published continuously since 2008.¹¹⁷ This report provides detailed analytical data on the absorption of EU funds in the Czech Republic.

Preparation of the new post-2027 Multiannual Financial Framework

This issue has significant potential implications for the future economic development of the Czech Republic; the SAO therefore attaches considerable importance to it and devoted the entire separate second part of the 2025 EU Report¹¹⁸ to the preparation of the post-2027 Multiannual Financial Framework (MFF28+).

Drawing on the results of its audit activity, regular monitoring of the area of European funds and cooperation with other institutions, the SAO participated in discussions on the preparation of the MFF28+ at various levels and proposed the following recommendations for the further preparation of the MFF28+:

- prioritise areas that are most suitable for or most in need of public support and focus on addressing new challenges (including defence, security and strengthening EU competitiveness), even at the expense of some areas that have been supported so far;
- reduce the number of supported areas and direct resources to those areas where they have the highest potential to support long-term growth and where they will bring the highest added value;
- simplify the structure of the Multiannual Financial Framework (the fragmentation of support into a large number of programmes, often overlapping in terms of objectives and instruments, reduces its efficiency);
- reduce bureaucracy and complexity in the EU funds system and optimise administrative capacity at national level (streamlining the provision of support);
- increase the emphasis on the actual benefits and impact of supported projects, e.g. by establishing clear rules for their selection;
- increase the efficiency of subsidy funds by simplifying the administration of subsidies, e. g. by reducing the need for applicants/beneficiaries to turn to specialised bodies focusing on the “subsidy business”;
- continuously assess the performance of policies and programmes and flexibly take measures to improve their effectiveness;

¹¹³ See the *Partnership Agreement for the 2021–2027 Programming Period* (version 1.2, as updated in December 2023).

¹¹⁴ Czech National Bank exchange rate as of 31 December 2025: CZK 24.245/EUR.

¹¹⁵ See <https://cohesiondata.ec.europa.eu/overview/21-27>.

¹¹⁶ Commission data covering the period up to 31 October 2025, updated as of 31 December 2025, show that 75.6% of the Czech Republic's allocation had been covered by legal acts granting support as of 31 December 2025 (6th place within the EU). As of the same date, the EU had reimbursed payment claims submitted by the Czech Republic corresponding to 24.5% of the total allocation earmarked for the Czech Republic (ranking second among EU Member States).

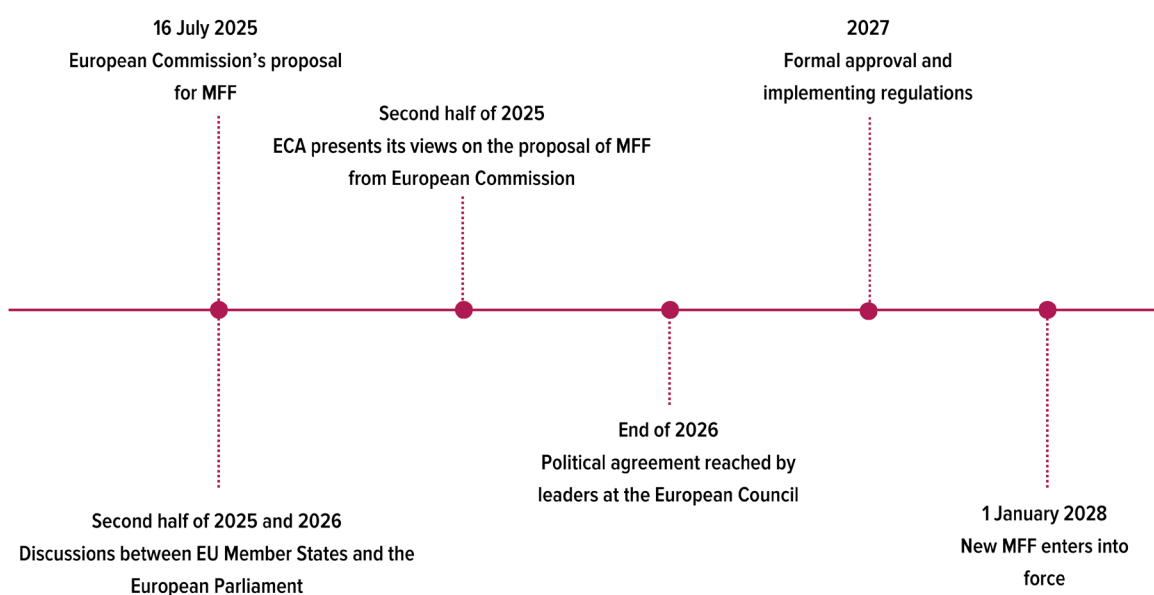
¹¹⁷ See <https://www.nku.cz/en/publications-documents/eu-report/>.

¹¹⁸ See https://www.nku.cz/assets/publikace-a-dokumenty/eu-report/eu-report-2025-en_part2.pdf.

- increase the economic incentive for beneficiaries to use support economically, efficiently and effectively, e.g. by limiting the maximum share of subsidy in eligible expenses;
- increase the use of financial instruments and simplified forms of cost reporting;
- increase the flexibility of the Multiannual Financial Framework to better respond to crises.

Given the current state of negotiations on MFF28+ priorities at the national level, the SAO warns that there is a real risk that its above recommendations, which are also supported by the recommendations of other bodies (e.g. the NBC and the ECA), will not be taken sufficiently into account; this would have a negative impact on the growth of the Czech economy and on the added value of support from EU funds in the coming years.

Infographics 1: Planned steps for establishing MFF28+ at European level



Following up on the above activities, the SAO, together with the supreme audit institution of the Kingdom of the Netherlands, also initiated an activity within the framework of the Contact Committee of the Heads of EU Supreme Audit Institutions aimed at strengthening audits of EU funds by European supreme audit institutions (SAIs) across EU Member States. The aim of this initiative is to provide robust feedback on the efficiency, results and impact of EU funding at Member State level, thereby helping to increase the transparency of such funding and the EU's competitiveness. The SAO expects this work to continue in the coming years with a view to strengthening the outputs of independent audit institutions in the area of audits of EU funds.

7. SAO OPINIONS ON THE STATE'S FINANCIAL REPORTING

7.1 OPINION ON THE DRAFT STATE CLOSING ACCOUNT

In 2025, the SAO gave its opinion on the accuracy of reported data¹¹⁹ in its Opinion on the Draft State Closing Account of the Czech Republic for 2024, i.e. its opinion on the completeness and accuracy of the state budget revenue and expenditure reported in the Draft State Closing Account (SCA).

The main tool used by the SAO for checking the figures is financial audit, which systematically scrutinises the closing accounts of state budget chapters, data submitted for assessing the implementation of the state budget in terms of classification by budgetary composition and data in financial statements.

The data on the chapters' budget management for 2024 in workbooks G and H were analytically verified against underlying material from the *State Treasury Integrated Information System* (STIIS) sources, where no significant discrepancies were found.

 **THE DATA CONTAINED IN THE DRAFT STATE CLOSING ACCOUNT FOR 2024 CAN BE CONSIDERED CORRECT¹²⁰.**

7.2 AUDIT OF FINANCIAL INFORMATION PUBLISHED BY CERTAIN SELECTED ADMINISTRATORS OF STATE BUDGET CHAPTERS AND THEIR SUBORDINATE ORGANISATIONS

The purpose of regularly scrutinising the state's financial reporting is to obtain and present information about its reliability and meaningfulness, which makes it possible to increase users' confidence in this information. Accounting entities use the financial information to draw up accounts on their financial management, and the data are also supposed to be used for monitoring and managing public finances. However, the utility of this information depends on its reliability. For that reason, the SAO devotes part of its capacity to financial audit so that it can check the reliability of financial statements and the data given in the financial statements for assessing implementation of the budget, and review closing accounts.

In 2025, the SAO completed four financial audits, in which it issued an opinion on the reported financial information and also commented on the internal control system in the examined areas (see Table 8). All of these audits were interim audits, where part of the audit takes place in the current accounting period, so the audited entity has the opportunity to make corrections during the audit.

¹¹⁹ These are the data presented in workbook G – *Tabular part of the Draft State Closing Account of the Czech Republic* and workbook H – *Results of budgetary management of the chapters of the Draft State Closing Account for the year 2024*.

¹²⁰ For more on the opinion on the accuracy of the State Closing Account data see: [SAO opinion on the Draft State Closing Account of the Czech Republic for 2024 | SAO](https://www.nku.gov.cz/sao-opinion-on-the-draft-state-closing-account-of-the-czech-republic-for-2024) (www.nku.gov.cz).

Table 8: Results of financial-audit type audits (FA-type audits) in relation to reported government financial information (CZK million)

Results of FA-type audits in relation to the financial statements								Results of FA-type audits in relation to the financial statements and the final accounts						Results of the FA-type audits in relation to internal control system
Audit No	Audited entity	Type of control in FA-type audits	Audited amount ¹²¹	Materiality	Corrections during audit	Quantified errors	Opinion on financial statements	Audited amount ¹²²	Significance	Corrections during audit	Quantified errors	Reliability of financial reports	Reliability of data in final accounts	Evaluation of ICS efficiency
24/19 ¹²³	MoLSA	Ongoing	159,110.9	800.0	7,600.0 ¹²⁴	185.2	Financial statement is reliable	46,086.9	800.0	263.2	0.0	Financial reports are reliable	Misstatements without a significant impact on the overall reporting ability of the closing account	ICS can be considered effective after the measures taken
24/20 ¹²⁵	MoC	Ongoing	37,618.5	390.0	6,600.0 ¹²⁶	0.8	Financial statement is reliable	17,710.0	320.0	0.0	0.0	Financial reports are reliable	Misstatements without a significant impact on the overall reporting ability of the closing account	ICS can be considered effective after the measures taken
24/22 ¹²⁷	NSA	Ongoing	24,445.7	165.0	911.8 ¹²⁸	0.0	Financial statement is reliable	8,304.5	165.0	1,431.1 ¹²⁹	0.0	Financial reports are reliable	Misstatements without a significant impact on the overall reporting ability of the closing account	ICS can be considered effective after the measures taken
24/23 ¹³⁰	CTO	Ongoing	7,898.2	53.0	6,457.3 ¹³¹	0.0	Financial statement is reliable	3,774.4	61.0	0.0	0.0	Financial reports are reliable	Misstatements without a significant impact on the overall reporting ability of the closing account	ICS can be considered effective after the measures taken
Total			229,073.3		21,569.1	186.0		75,875.8		1,694.3	0.0			

Source: Audit reports of individual audits.

¹²¹ Audited amount of financial statements = net assets + liabilities + expenses + income + off-balance sheet¹²² Audit amount of financial reports = revenues + expenditures¹²³ Audit No 24/19 – Closing account of the state budget chapter Ministry of Labour and Social Affairs for the year 2024, financial statements of the Ministry of Labour and Social Affairs for the year 2024 and data submitted by the Ministry of Labour and Social Affairs for the evaluation of state budget implementation for the year 2024 (audit report was published in Vol. 4/2025 of the SAO Bulletin).¹²⁴ The most material corrections: correction of the accounting treatment of contingent liabilities arising from concluded contracts (CZK 4,600 million), reversal of non-existent advice payments for transfers provided in 2023 as a contribution to the operation of children's groups (CZK 1,700 million), and correction of the accounting treatment and balance of contingent receivables from the pre-financing of transfers (CZK 1,375 million) – **the value of corrections made during the audit exceeded materiality by almost 9.5 times.**¹²⁵ Audit No 24/20 – Closing account of the state budget chapter Ministry of Culture for the year 2024, financial statements of the Ministry of Culture for the year 2024 and data submitted by the Ministry of culture for the evaluation of state budget implementation for the year 2024 (audit report was published in Vol. 3/2025 of the SAO Bulletin).¹²⁶ The most material correction: new recognition of contingent liabilities arising from transfers related to issued subsidy decisions for national subsidies – **the value of corrections made during the audit exceeded materiality by almost 17 times**¹²⁷ Audit No 24/22 – Closing account of the state budget chapter National Sports Agency for the year 2024, financial statements of the National Sports Agency for the year 2024 and data submitted by the National Sports Agency for the evaluation of state budget implementation for the year 2024 (audit report was published in Vol. 1/2026 of the SAO Bulletin).¹²⁸ The most material correction: correction of the accounting system for contingent liabilities arising from issued decisions regarding subsidies (CZK 624.5 million), new reporting of contingent receivables and liabilities arising from contracts (CZK 93 million), and correction of the accounting treatment of settled advance payments for transfers (CZK 88 million) – **the value of corrections made during the audit exceeded materiality by more than 5.5 times.**¹²⁹ The most material irregularity: correction of incorrect sectoral classification of expenditures on transfers provided to municipalities for the acquisition and technical improvement of sports facilities in their ownerships (CZK 1,330.5 million), and correction of the incorrect sectoral classification of expenditure on transfers provided to associations and sports federations in the area of national sports teams (CZK 97.3 million) – **the irregularity exceeded the materiality by almost 9 times.**¹³⁰ Audit No 24/23 – Closing account of the state budget chapter Czech Telecommunication Office for the year 2024, financial statements of the Czech Telecommunication Office for the year 2024 and data submitted by the Czech Telecommunication Office for evaluation of state budget implementation for the year 2024 (audit report was published in Vol. 4/2025 of the SAO Bulletin).¹³¹ The most material corrections: correction of the accounting of approved net income in the approved financial statements for years 2022 and 2023 (CZK 5,257.3 million) and correction of the accounting for funds in the radiocommunications account (CZK 903.1 million) – **the value of corrections made during the audit exceeded materiality by almost 122 times.**

THE RESULTS OF THE FINANCIAL AUDITS SHOWED THAT INTERIM AUDITS, WHERE THE AUDITED ENTITIES HAD THE OPPORTUNITY TO CORRECT DEFICIENCIES IDENTIFIED DURING THE AUDITS, CONTRIBUTED SIGNIFICANTLY TO THE RELIABILITY OF THE REPORTED DATA. ON THE BASIS OF THE INTERIM AUDITS CARRIED OUT WITHIN THE 2024 AUDIT PERIOD, ERRORS THAT WOULD HAVE HAD AN IMPACT ON THE FINANCIAL STATEMENTS IN THE AMOUNT OF MORE THAN CZK 21.6 BILLION AND ON FINANCIAL STATEMENTS IN THE AMOUNT OF MORE THAN CZK 1.7 MILLION WERE CORRECTED. ONLY ISOLATED DEFICIENCIES WERE FOUND IN CLOSING ACCOUNTS, EXCEPT FOR AUDIT NO 24/22, AND THESE DEFICIENCIES HAD NO IMPACT ON THE CONCLUSIVENESS OF THE CLOSING ACCOUNTS.

Measures to correct identified deficiencies

Another component of financial audits is the systematic verification of the implementation of corrective measures from previous audits.

Table 9: Overview of implementation of corrective measures from previous audits at the time the audit was initiated

Audit No	Audited entity	Previous Audit No	Number of measures taken to correct shortcoming	Number of measures fully and correctly implemented	Number of measures partially implemented	Number of measures not implemented	Number of measures no longer relevant (e.g. due to a change in regulation)
24/19	Ministry of Labour and Social Affairs	18/26	17	11	4	1	1
24/20	Ministry of Culture	19/03	18	15	3	x	x
24/22	National Sports Agency	x	x	x	x	x	x
24/23	Czech Telecommunication Office	x	x	x	x	x	x

Source: Audit reports of individual audits

The above overview shows that in most cases, the audited entities respond to the measures imposed. Further corrective action is then taken as part of the ongoing audit.

Results of audit work with regard to the internal control system

One aspect of financial audit is scrutiny of the internal control system. The SAO verifies whether for tested operations the internal control system is designed in line with the relevant legislation¹³² and tests selected control mechanisms in the accounting system. The effective and reliable functioning of the internal control system has a fundamental impact on the completeness, conclusiveness and correctness of information presented in financial statements and other reports.

The financial audits identified deficiencies and risks in the accounting, budgetary system and closing accounts that were not identified by the internal control system but were duly corrected by the audited entity during the audit (Audit No [24/20](#), Audit No [24/22](#) and Audit No [24/23](#)). In the case of Audit No [24/19](#), the ICS exhibited significant irregularities in the management of state assets even after the audit had been completed.

In Audit No [24/22](#), evidence was found of breaches of budgetary discipline amounting to a total of **CZK 3.8 million**, which the ICS had failed to prevent.

Table 10: Facts suggesting a breach of budgetary discipline (CZK million)

Audit No	Audited entity	Facts suggesting a breach of budgetary discipline
24/19	MoLSA	x
24/20	MoC	x
24/22	NSA	3,8 ¹³³
24/23	CTO	x
Total		3.8

Source: Audit reports of individual audits.

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The most significant finding was the failure to transfer funds from the foreign funds account to the state budget (these were returned subsidies made in response to calls for repayment pursuant to the provisions of Section 14f of Act No 218/2000 Coll.).

7.3 PROMOTING GOOD ACCOUNTING AND AUDIT PRACTICE

THE MAIN PURPOSE OF FINANCIAL AUDIT IS TO CONTRIBUTE TO IMPROVING THE RELIABILITY OF FINANCIAL INFORMATION CONTAINED IN CLOSING ACCOUNTS, FINANCIAL STATEMENTS AND FINANCIAL REPORTING FOR THEIR USERS.

The following made a significant **contribution to achieving this objective**:

- **interim audits**, during which the audited entities were able to correct the deficiencies identified (see Table 11);
- **repeated financial audits**, monitoring the audited entity's response to the identified deficiencies in the form of corrective action (see above under **Measures to correct identified shortcomings**);
- **discussion of financial audit results** by the Government and the CBC; audit reports are also available to both the professional and general public.

THE SAO IS, BY ITS VERY NATURE, A PROFESSIONAL INSTITUTION AS WELL AS AN AUDIT INSTITUTION.

The SAO has long devoted attention to international standardisation in accounting and the possible use of good, globally recognised reporting practises in the Czech Republic's public sector. Through its audits and analyses, the SAO helps to identify systemic risks and problems in the process of recognition of financial and budgetary data, looks for possible solutions, and promotes greater use of accrual-based accounting data.

In doing so, it contributes to the spread of good accounting and auditing practice and strives to ensure that usable and reliable data are provided for accounting and decision-making purposes.

THE SAO PROMOTES THE USE OF ACCRUAL BASIS ACCOUNTING INFORMATION, AND THUS IMPROVED REPORTING.

The SAO has repeatedly remarked on the desirability of making greater use of accrual-based data and comparing it with cash flow-based information, including commenting on the differences.

As part of the promotion of best practices, the SAO also carries out an analysis of the financial results from an accrual and cash perspective, including examples of the use of accrual accounting information (for more details, see the annexes to reports for Audits Nos [24/19](#), [24/20](#), [24/22](#) and [24/23](#)).

To promote the use of the state's accrual-based accounting information, the SAO conducted a joint study with the Faculty of Finance and Accounting at the Prague University of Economics and Business, on the basis of which the SAO published on 13 November 2025 a joint report **entitled "Use of Central Government Accounting"**¹³⁴. The report assesses the use of accounting information from central government bodies – i.e. ministries as well as other state organisational units – by various user groups.

In the joint report, authors from the SAO and the University of Economics pointed out the high information potential of the Czech state accounting system and emphasised its tangible benefits for the subsequent compilation of macroeconomic statistics, in particular. However, they also highlighted its very limited use in decision-making processes and in the preparation and evaluation of the state budget, leading to the conclusion that the "state accounting reform" launched in 2010 had failed to achieve its intended purpose. The authors of the study recommended considering the simplification of the state's accounting reporting in the case of specific reports and proposed measures that would help improve the actual use of the potential of the state's financial reporting.

¹³⁴ [Use of Central Government Accounting](#).

THE SAO DRAWS ATTENTION TO METHODOLOGICAL PROBLEMS IN ACCOUNTING AND THE PROCESS OF RECOGNITION.

As part of its audits, the SAO monitors the application of binding legal regulations in relation to the process of recognition. The SAO also highlights inconsistencies it has identified in legal regulations concerning accounting, as well as shortcomings in terms of their comprehensiveness or interpretative ambiguities, and the related methodological and implementation problems.

The SAO presents the identified methodological problems in its audit reports and then communicates them to the professional public.

The SAO regards the following as significant persistent problems:

Table 11: Persisting and significant methodological problems

Problem area	Description of the methodological problem	SAO opinion
Funds from the National Recovery Plan	The National Recovery Plan is a reform and investment plan through which the Czech Republic can draw funds from the EU budget, specifically from the <i>Recovery and Resilience Facility</i>. The generally applicable methodologies issued for the implementation of the NRP do not regulate accounting and reporting. In the SAO's opinion, the area of NRP should be methodologically unified in order to ensure uniform application of accounting procedures. One chief example of the degree of uncertainty in the substantive and accounting treatment of facts relating to the NRP is the timing when the claim for reimbursement of funds paid out and the settlement thereof is accounted for. During some audits, corrections were made to the accounts in order to ensure the correct and comparable presentation of these facts in the accounts (see, for example, the audit reports of Audits Nos 23/17, 23/18, 24/19 and 24/23).	The SAO helps to ensure the comparability of reported information across accounting entities.
Financial instruments co-funded by the EU budget	Financial instruments represent a form of funding, especially from the EU budget, whereby financial support is provided to beneficiaries in a REPAYABLE FORM (e.g. loans, guarantees, capital investments), thus differing from subsidies (transfers), which are NON-REPAYABLE. It is reasonable to expect that the proportion of financial instruments will increase at the expense of subsidies. These are accounting cases on the borderline between transfers, receivables and financial assets for which no separate account or item is defined in the selected entities' financial statements. Nor is there a Czech accounting standard that would specifically regulate accounting procedures for financial instruments. In the SAO's opinion, these financial instruments can be reported on the basis of the accounting practice to date in the following ways: – through account 069 – Other long-term investments (procedure of the MoIT published in the audit report of Audit No 20/34); – through account 471 – Long-term advance payments for transfers (procedure of the MoRD published in the audit report of Audit No 23/20). Both approaches should be appropriately commented on in the notes to the financial statements. In general, however, other approaches to reporting cannot be ruled out in such cases, as this will always depend on the specific circumstances.	The SAO assists the comparability of financial statement information by describing certain significant and particularly challenging types of accounting cases and the methods of recording them in its reports.

Problem area	Description of the methodological problem	SAO opinion																				
Information reported in off-balance accounts	Off-balance accounts are used for items that are not accounted for in the balance sheet accounts. These are known as contingent receivables, contingent liabilities and other off-balance assets and liabilities that relate to future increase or decrease of property (or other assets or liabilities) that may occur based on a specified term or a specified set of terms. Contingent assets and contingent liabilities can be divided into three categories in terms of the probability that balance sheet assets and liabilities will arise: • generally certain and expected assets/liabilities – payment of the contingent asset or liability is already budgeted for and it is only a matter of time before it is fulfilled (e.g., from contracts and transfers); • assets/liabilities contingent on a specific risk – contingent receivables and liabilities associated with situations that may arise but where the outcome is not within the entity's control and therefore represent a monitored risk to the entity (e.g. litigation, guarantees provided); • uncertain assets/liabilities, not expected to be settled – these are hypothetical contingent receivables and liabilities; their occurrence and hence settlement are not expected (e.g. potential compensation for possible destruction of borrowed assets). It is clear from the financial audits completed in 2025 that, in terms of reported values, essentially certain and expected assets/liabilities are the predominant type:	In the SAO's opinion, there is a risk that the current rules for monitoring off-balance sheet accounts do not provide reliable, comparable and usable information.																				
	<table><tr><th>Categories of contingent assets/liabilities</th><th>Audit No 24/19</th><th>Audit No 24/20</th><th>Audit No 24/22</th><th>Audit No 24/23</th></tr><tr><td>Generally certain and expected</td><td>99.5%</td><td>99.2%</td><td>93.5%</td><td>100%</td></tr><tr><td>Conditional on a specific risk that is not wholly under the accounting entity's control</td><td>0.5%</td><td>0.1%</td><td>6.5%</td><td>0%</td></tr><tr><td>Uncertain, not expected to be settled</td><td>0.0%</td><td>0.8 %</td><td>0.0%</td><td>0%</td></tr></table>		Categories of contingent assets/liabilities	Audit No 24/19	Audit No 24/20	Audit No 24/22	Audit No 24/23	Generally certain and expected	99.5%	99.2%	93.5%	100%	Conditional on a specific risk that is not wholly under the accounting entity's control	0.5%	0.1%	6.5%	0%	Uncertain, not expected to be settled	0.0%	0.8 %	0.0%	0%
	Categories of contingent assets/liabilities		Audit No 24/19	Audit No 24/20	Audit No 24/22	Audit No 24/23																
	Generally certain and expected		99.5%	99.2%	93.5%	100%																
	Conditional on a specific risk that is not wholly under the accounting entity's control		0.5%	0.1%	6.5%	0%																
Uncertain, not expected to be settled	0.0%	0.8 %	0.0%	0%																		
Information on facts conditional on a specific risk constitute valuable information. What is not clear, however, is whether, and to what extent, generally certain and expected assets/liabilities need to be tracked in off-balance accounts, since the only condition that must be met for them to become balance sheet assets/liabilities is the passage of time. Moreover, the accounting regulations do not require information on off-balance facts to be commented on in the notes to the financial statements. This obligation (to present additional and explanatory information) explicitly applies only to assets, receivables and liabilities of the balance sheet type, which reduces the usability of the information reported in off-balance accounts.																						

Source: Audit reports of individual audits.

THE SAO COOPERATES WITH PROFESSIONAL INSTITUTIONS IN THE FIELD OF STATE REPORTING.

The SAO continued to cooperate with professional institutions during 2025. This involved various forms of collaboration with the following institutions:

- working meetings with **the Union of Accountants** on selected methodological issues, an analytical tool for risk detection, as well as training of accountants in the public sector;
- working meetings with representatives of **the Czech Statistical Office** regarding an analytical tool for the detection of risks arising from accounting and budgetary data, and selected methodological issues;
- collaboration with **the Prague University of Economics and Business (VŠE in Czech)** on mapping the use of state's accrual basis accounting information, which resulted in the publication of a joint report entitled **"Use of Central Government Accounting"**;
- participation in a meeting of the government statistics working group of the **Ministry of Finance and the Czech Statistical Office**.

The SAO's cooperation with professional institutions contributes to the promotion of internationally recognised good practice in public sector reporting in the Czech Republic.

THE SAO'S OPINIONS CONTRIBUTE TO MODIFICATIONS OF THE LEGAL REGULATIONS CONCERNING THE STATE'S ACCOUNTING AND REPORTING.

In 2025, the SAO applied its audit findings when commenting on draft amendments to legislation. These included, for example, comments on the draft amendment to Decree No 412/2021 Coll., on the Budget Structure, as amended.

THE SAO PARTICIPATES IN INTERNATIONAL COOPERATION IN FINANCIAL AUDITING AND REPORTING.

The SAO regularly takes part in financial audits of international organisations. In 2025, the SAO was represented on the Audit Board of Eurocontrol.

The SAO also sees to the translation of the *International Public Sector Accounting Standards* (IPSAS) from English into Czech and, with the consent of the International Federation of Accountants, it published the translation on the SAO website in 2025.

Financial audits contribute to greater reliability of financial information

MORE THAN CZK 23 BILLION WERE CORRECTED IN AUDITS OF FINANCIAL INFORMATION



Non-material irregularities/shortcomings



Material irregularities/shortcomings



Material irregularities/shortcomings with substantial impact on the audit area

<u>Audit No. 24/19</u>	Ministry of Labour and Social Affairs	Corrections during the SAO audit	→	Final state after corrections
	Financial statements	! In accounting in amount of CZK 7.6 billion		✓ Non-material irregularities
	Statement for the evaluation of budget implementation	✓ Non-material corrections		✓ Non-material irregularities
	Closing account	✓ Non-material corrections		✓ Non-material irregularities
	Internal control system	! In accounting and in management of state property		! In accounting and in management of state property
<u>Audit No. 24/20</u> Ministry of Culture				
	Financial statements	! In accounting in amount of CZK 6.6 billion		✓ Non-material irregularities
	Statement for the evaluation of budget implementation	✓ No corrections needed		✓ Non-material irregularities
	Closing account	✓ Non-material corrections		✓ Non-material irregularities
	Internal control system	! In accounting		✓ Non-material shortcomings
<u>Audit No. 24/22</u> National Sports Agency				
	Financial statements	! In accounting in amount of CZK 0.9 billion		✓ Non-material irregularities
	Statement for the evaluation of budget implementation	! Corrections amounted to CZK 1.4 billion		✓ Non-material irregularities
	Closing account	! Affecting the reliability of the provided information		! Affecting the reliability of the provided information
	Internal control system	✗ In audited areas		✓ Non-material shortcomings
<u>Audit No. 24/23</u> Czech Telecommunications Office				
	Financial statements	! In accounting in amount of CZK 6.5 billion		✓ Non-material irregularities
	Statement for the evaluation of budget implementation	✓ Non-material corrections		✓ Non-material irregularities
	Closing account	✓ Non-material corrections		✓ Non-material irregularities
	Internal control system	! In accounting		✓ Non-material shortcomings

III. FINANCIAL EVALUATION OF AUDIT WORK

1. OVERALL FINANCIAL EVALUATION OF AUDITS

Summary financial evaluation of the audit work is performed every year via the indicator of the total volume of audited finances, assets and liabilities. This indicator informs about the total volume of state budget revenue and expenditure, state assets and liabilities, funds provided to the Czech Republic from abroad and other finances (e.g. from state funds). The level of this indicator is influenced by the number of audits, their objectives and subjects of focus, and the length of the audit period.

The total value of audited finances and property was **CZK 96.3 billion**. This figure derives from audits whose audit report was approved in 2025. The figure does not include data from audits aimed at auditing the closing accounts of state budget chapters and data on finances assessed only at system level (e.g. in audits of strategic and policy materials, and in audits of programme funds as part of the scrutiny of their administrators' or intermediate bodies' work). Financial audits examined data reported by the audited entities in their financial statements totalling **CZK 229.1 billion** and data contained in financial reporting totalling **CZK 75.9 billion**. The value of funds assessed at the system level in the audits completed in 2025 was **CZK 252.9 billion**.

2. DISCHARGE OF THE NOTIFICATION DUTY PURSUANT TO ACT NO 280/2009 COLL., THE TAX CODE

Based on the facts ascertained, the SAO informs the relevant tax authorities of the identified deficiencies mentioned in audit protocols and linked to the audited entities' tax obligations. Specific audit findings can be used by the appropriate tax authorities to launch proceedings that could lead to a decision to impose a penalty for a breach of budgetary discipline.

In 2025, **29** notifications related to the administration of taxes arising from **19** audits were sent to tax authorities as part of the SAO's notification duty. The total amount of funds quantified in these notifications was over **CZK 1,021,564,000**. The notifications related to breaches of obligations detected among beneficiaries of subsidies (17), subsidy providers (1) and breaches of obligations by state organisational units (9) and contributory organisations (2).

IV. ASSESSMENT OF OTHER ACTIVITIES

1. COOPERATION WITH THE CRIMINAL JUSTICE AUTHORITIES IN 2025

In 2025, the SAO filed **two** notifications under Section 8 Article 1 of the Criminal Procedure Code based on the findings of **two** audits indicating that a criminal offence had been committed.

The notifications concerned suspected offences of breach of duties in the management of third-party assets and harming the financial interests of the European Union.

The criminal justice authorities requested the SAO's assistance in a total of **six** cases in 2025. Further to these requests, the SAO provided audit materials from **four** audits.

2. OPINIONS ON DRAFT LEGISLATION IN 2025

According to Section 6 of the SAO Act, both chambers of the Czech parliament and their bodies may ask the SAO to provide an opinion on draft legislation concerning budgetary management, accounting, state statistics and the performance of audit, supervision and inspection activities. The above entities did not make use of this authorisation in 2025 in the sense of submitting a formal request for an opinion.

In inter-ministerial commentary procedure under the Government Legislative Rules, the SAO gave its opinion on draft legislation touching on its competences or concerning it as a state organisational unit. The SAO examined a total of **127** legislative proposals and non-legislative materials in 2025. The SAO made specific comments on **14** proposals, mainly referencing its audit findings.

The SAO recommended that the Government adopt a favourable opinion on the Senate's draft constitutional act amending Constitutional Act No 1/1993 Coll., the Constitution of the Czech Republic, as amended by subsequent constitutional acts (Chamber of Deputies document No 47). This draft was already submitted by the Senate for debate during the previous electoral term (i.e. 9th term), but the Chamber of Deputies did not discuss it before the end of that term. A group of Senators proposes that the following sentence be added at the end of paragraph 1 of Article 97 of Constitutional Act No 1/1993 Coll., the Constitution of the Czech Republic: "The Supreme Audit Office shall also audit the economic management of legal entities established by law that provide public services in the field of television and radio broadcasting." It is proposed that the constitutional act enter into effect on 1 July 2026. The Government's favourable opinion was sent to the Deputies as Chamber of Deputies document No 47/1, and its discussion was proposed for the agenda of the 5th meeting of the Chamber of Deputies during the 10th electoral term.

The SAO made a recommendation regarding the draft legislative act amending Act No 164/2013 Coll., on International Cooperation in Tax Administration and Amending Other Related Acts, as amended. The draft was submitted by the MoF. The proposed amendment was not discussed by the Chamber of Deputies before the end of the 9th electoral term.

The SAO also made further recommendations regarding the draft Government regulation amending Government Regulation No 590/2006 Coll., setting the scope and extent of other important personal impediments to work, submitted by the MoLSA. The submitter partially accepted the SAO's comments. The Government Regulation was published in the *Collection of Laws* under No 122/2025 Coll. and entered into effect on 1 June 2025.

The SAO submitted further recommendations regarding the draft decree amending Decree No 466/2023 Coll., on the Conditions for Operating Gambling Games. The SAO requested a change to the wording of the provisions concerning the obligation to submit documents to the MoF via data message. The submitter (MoF) accepted the SAO's comment and modified the text of the decree. The decree was published in the *Collection of Laws* under No 436/2025 Coll. and entered into effect on 1 January 2026.

The SAO also made recommendations regarding the draft decree on security measures for providers of regulated services subject to enhanced obligations, submitted by the NUKIB. The submitter partially accepted the comments raised by the SAO and provided an explanation for the rejection of the remaining comments as part of its response. The decree was published in the *Collection of Laws* under No 409/2025 Coll. and entered into effect on 1 November 2025.

Furthermore, the SAO made recommendations regarding further legislation implementing Act No 264/2025 Coll., on Cybersecurity, submitted by the NUKIB (*Czech abbreviation; National Cyber and Information Security Agency*). This was a draft decree on security measures to be taken by regulated services providers operating under the reduced-obligation regime. The submitter accepted the SAO's comment and the text of the decree was modified accordingly. The decree was published in the *Collection of Laws* under No 410/2025 Coll. and entered into effect on 1 November 2025. The SAO also commented on a draft decree on certain requirements for entry into the cloud computing catalogue. The submitter fully accepted the comments raised by the SAO and modified the text of the decree. The decree was published in the *Collection of Laws* under No 505/2025 Coll. and entered into effect on 1 November 2025. Comments were also raised by the SAO with regard to the draft Government regulation on regulated services that meet the criteria for strategically important services, as well as on the components of strategically important services that constitute the necessary scope for ensuring the availability of such services (Regulation on Strategically Important Services). The legislative process for the aforementioned Government regulation has completed the commentary procedure, but the regulation has yet to be submitted to the Government for deliberation.

In 2025, the SAO also submitted comments on a draft Government regulation amending Government Regulation No 222/2010 Coll., on the Catalogue of Jobs in Public Services and Administration, as amended, and Government Regulation No 302/2014 Coll., on the Catalogue of Administrative Activities, as amended, submitted by the MoLSA. The SAO requested that changes be made to the examples of work for the profession of "internal auditor" and that the profession of "auditor at the Supreme Audit Office" be removed. The rationale behind this request was that on 13 May 2020 – pursuant to Section 46, Article 2 of Act No 166/1993 Coll., on the Supreme Audit Office, as amended, and following approval by the Budget Committee of the Chamber of Deputies – the President of the SAO had issued salary rules of the Supreme Audit Office, which would include, *inter alia*, a catalogue of jobs and lay down the pay tariff scale, effective from 1 January 2021. The profession "auditor of the Supreme Audit Office" in the catalogue of public service and administration professions was therefore redundant. The submitter did not accept the comments made by the SAO. The Government Regulation was published in the *Collection of Laws* under No 410/2025 Coll. and entered into effect on 1 January 2026.

Finally, the SAO raised a comment on the draft decree amending Decree No 412/2021 Coll., on the Budget Structure, as amended, submitted by the MoF. The submitter accepted the SAO's comment and modified the text of the draft decree. The decree was published in the *Collection of Laws* under No 336/2025 Coll. and entered into effect on 1 January 2026.

Of the non-legislative proposals submitted for the commentary procedure, the SAO commented on the following documents in 2025: "*Draft State Closing Account of the Czech Republic for 2024*" and "*Annual Report on Digitalisation and the State of Public Procurement in the Czech Republic for 2024, including the Report for 2024 on the Implementation of the National Public Procurement Strategy in the Czech Republic for the Period 2024–2028*".

3. INTERNATIONAL COOPERATION

In 2025, the SAO significantly reinforced its strategic position at all levels of international cooperation.

A clear and key achievement was undoubtedly the election of the SAO to the Governing Council of INTO-SAI, i.e. the International Organisation of Supreme Audit Institutions, and obtaining the position of Vice-Chair of the INTOSAI Knowledge Sharing and Knowledge Services Committee (INTOSAI KSC).

In the European Organisation of Supreme Audit Institutions (EUROSAI), the SAO continued to play an active role as a member of the EUROSAI Governing Board; at European Union (EU) level, the SAO succeeded, in close cooperation with the Netherlands Court of Audit, in placing the issue of audits of EU funds on the agenda of the EU Contact Committee.

The SAO's representation on the audit bodies of major international organisations, such as the European Organisation for the Safety of Air Navigation (EUROCONTROL) and, from 2025, the Organisation for Economic Co-operation and Development, represented another important step towards expanding the Office's international reach.

Representatives of the SAO attended a total of 123 international events in 2025. Of these, 45 meetings were held online, while 78 working meetings took place in person. The largest share consisted of meetings of working and project groups (29.3%), conferences and congresses (15.4%), and bilateral meetings both at the senior-management and working levels (14.6%).

Together with the supreme audit institutions of Lithuania, Poland, Slovakia and Ukraine, the SAO continued its meetings regarding a coordinated audit focusing on the education of Ukrainian children in those countries.

The international activities in 2025 also included audit missions of the European Court of Auditors, involvement in the activities of the INTOSAI Development Initiative (INTOSAI IDI), cooperation with the International Board of Auditors for NATO, and participation in international educational programmes focusing both on public audit and other areas.

In December 2025, at the Prague headquarters of the Supreme Audit Office, the President of the SAO awarded the President's Award to Margit Kraker, President of the Austrian Court of Audit and Secretary General of INTOSAI, for her outstanding contribution to strengthening the strategic cohesion of the international audit community.

Due to the ongoing war in Ukraine, cooperation with the audit institutions of the Russian Federation and Belarus stays suspended. In this context, the SAO continued to provide support to the SAI of Ukraine. For example, the SAO provided its Ukrainian colleagues with a total of 80 decommissioned laptops, which were handed over at the regional office of the SAI of Ukraine in Lviv.

Chart 20: Overview of international events with SAO participation

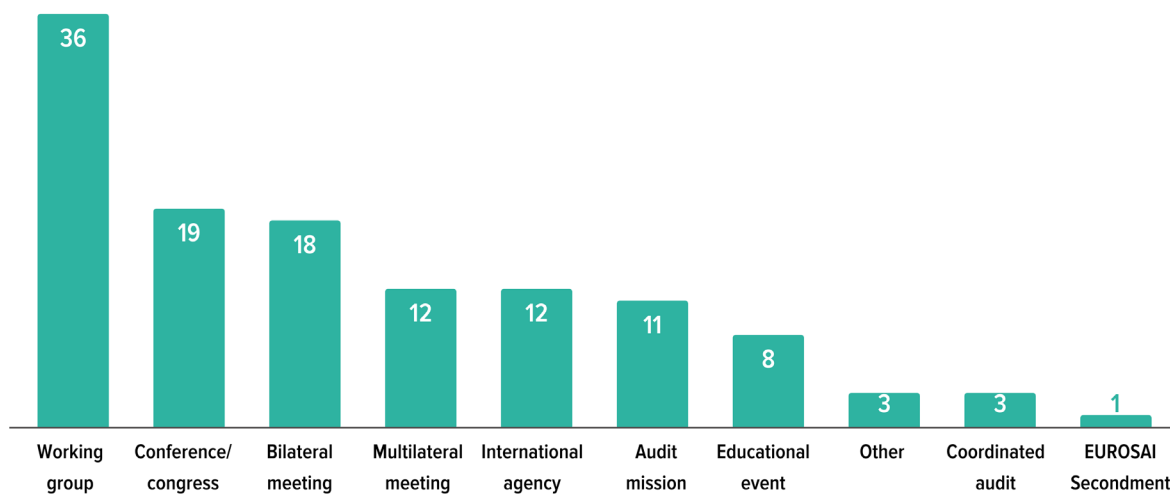
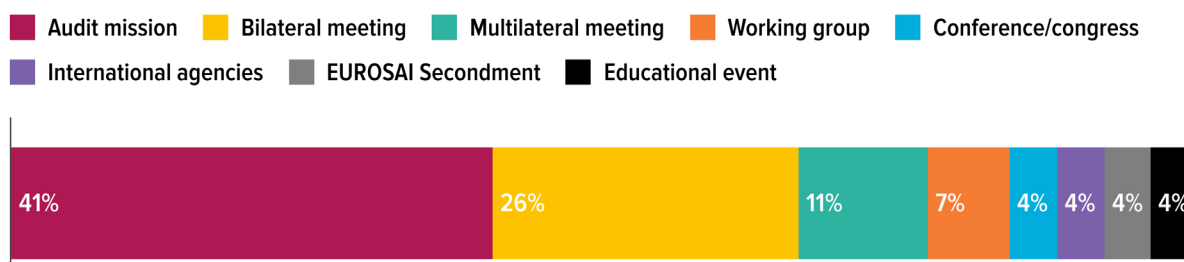


Chart 21: International visits to the Czech Republic and meetings organised by the SAO



Throughout the year, the President of the SAO played an active role in developing top-level bilateral cooperation with partner institutions. As part of these activities, he personally received several high-profile foreign delegations at the SAO's headquarters in Prague.

On 17–18 February 2025, he held talks with Ivan Klešić, Auditor General of the Croatian SAI, who expressed interest in the activities of the SAO concerning migration, EU funds and cooperation within EU-ROSAI.



On 24–25 March 2025, he met with Ľubomír Andrassy, President of the SAO of Slovakia, to discuss twenty years of experience in auditing European subsidies and preparations for the 2025 EU Contact Committee meeting.



On 15 September 2025, he received a delegation from a Korean audit institution, which was primarily interested in environmental audits.





On the occasion of the 18th meeting of the EUROSAI Working Group on Information Technologies (ITWG) held on 23 September 2025, bilateral talks were held with Janar Holm, Auditor General of the National Audit Office of Estonia, with regard to audits of EU funds and ways to strengthen the impact of audit findings by the supreme audit institutions. The bilateral meeting on 18 December 2025 with Margit Kraker, President of the Austrian Court of Audit and Secretary General of INTOSAI, was combined with the presentation of the SAO President's Award.

An annual meeting between representatives of the Supreme Audit Office and EU ambassadors, representatives of the European Commission and the Czech Ministry of Foreign Affairs took place on 20 March 2025 at the SAO's headquarters in Prague. The President of the SAO and his staff presented the results of their audits of the use of EU subsidies and informed them about the functioning and activities of the Contact Committee.

The *"Beyond Numbers"* specialist seminar on data analytics, which took place at the SAO on 7–8 April 2025 and focused on basic techniques for using data in auditing, data visualisation and the application of artificial intelligence, was attended by seven experts from the SAIs of Denmark, Estonia, Latvia, Poland and Sweden.



On 30 June 2025, the SAO concluded its activities within the EUROCONTROL Audit Board, thus bringing the Czech tenure to an end by handing over the chairmanship of the Audit Board to colleagues from the Supreme Audit Office of the Slovak Republic. A bilateral working meeting was held in Prague on 31 July 2025 on this occasion. The participants discussed topics related to the chairmanship of the Audit Board and the application of ISSAI 300 – the International Standard of Supreme Audit Institutions.



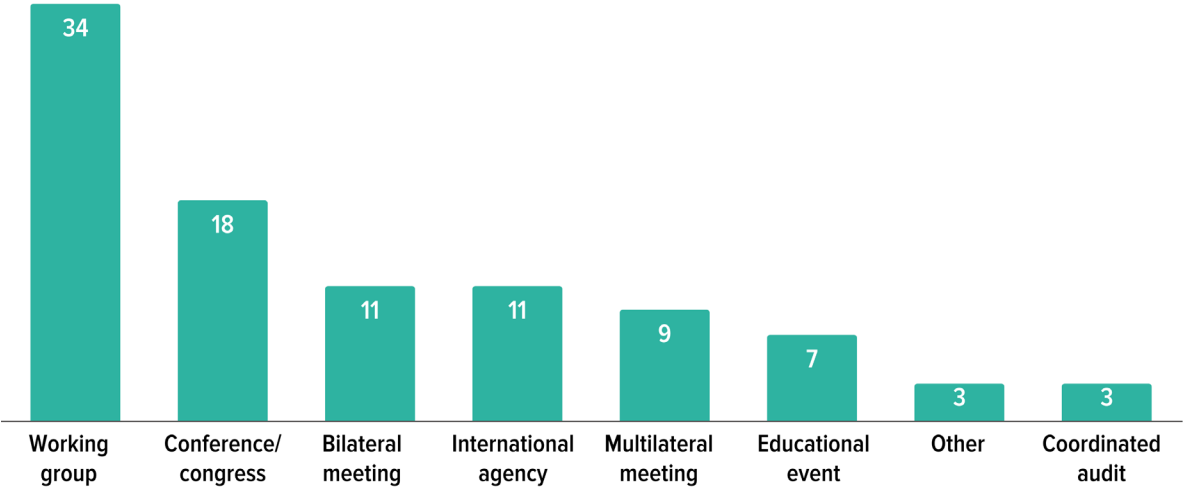
The 18th meeting of the EUROSAT IT working group, organised by the SAO in collaboration with the Estonian National Audit Office on 23–24 September 2025, was the largest international event held at the SAO's headquarters in terms of the number of participants. The event was organised in a hybrid format and focused on public-private sector collaboration in the digitalisation of public administration services and on eGovernment projects. The meeting was attended by around 200 people from 50 countries, 60 of whom were present in person in Prague.



From 6 to 10 October 2025, the SAO held at its training centre a week-long professional training course for 25 auditors from Ukraine and North Macedonia. The programme included an introduction to the work of the SAO, audit standards and quality assurance, performance auditing, working with data and data visualisation, ways of using the BIEP information exchange platform, international activities, and the EU-ROSAI database.



Chart 22: Participation of SAO representatives in international events and meetings abroad



THE SAO'S INVOLVEMENT IN INTERNATIONAL WORKING GROUPS, TASK FORCES AND PROJECT GROUPS

The largest share of international activities (35%) consisted in the SAO's participation in working groups and project teams. The participation of auditors and representatives of the SAO in professional international platforms within EUROSAI, INTOSAI, the Contact Committee and the ECA enables the sharing of best practices, methodologies and innovations in the field of audit, thereby enhancing the quality and efficiency of audit activities. At the same time, it strengthens the SAO's standing within the international community and contributes to the harmonisation of public audit standards.

EUROSAI has four working groups: on information technologies¹³⁵, environmental auditing¹³⁶, funds allocated to disasters and catastrophes, and municipality audit¹³⁷; plus a Network for Ethics¹³⁸. The SAO is a member of the first three of those groups and the Network for Ethics.

From 4 to 6 March 2025, members of the working groups for two of EUROSAI's strategic goals met in Bratislava: Strategic Goal 1 on professional cooperation, and Strategic Goal 2 on institutional capacity development). The meetings are intended for sharing information on the implementation of the 2024–2030 *EUROSAI Strategic Plan* and ongoing projects and audits.



¹³⁵ See <https://eurosai-it.org/>.

¹³⁶ See <http://www.eurosaiwgea.org/>.

¹³⁷ See <https://www.tfma.eu/>.

¹³⁸ See <https://eurosai.revizija.hr/en>.

The first EUROSAl capacity-building seminar focused on the implementation of the updated ISSAI 140 standard, the use of plain language to improve the quality of communication, and the use of social media in the work of supreme audit institutions. It was organised by SAI Poland and SAI Sweden on 14–15 October 2025 in Warsaw as part of the activities under Strategic Goal 2.



From 16 to 18 October 2025, the EUROSAl Ethics Network organised a technical seminar in Lisbon, focusing on the use of artificial intelligence in the context of INTO-SAl's ethical standards and on the specific challenges associated with its implementation in audit practice.

As previously mentioned, the 18th meeting of the EUROSAl IT working group took place in Prague in September. The annual meeting of the EUROSAl Working Group on Environmental Audit (WGEA) was organised by the SAO of Slovakia in Bratislava from 7 to 10 October 2025.

In 2025, SAO auditors also participated in the work of the following EUROSAT project groups:

- professional seminars *#AuditTalks* (led by SAI Lithuania and SAI Malta);
- audit institutions' resilience and preparedness for future threats (led by SAI UK);
- *peer review* (led by SAI Israel);
- review of EUROSAT rules and documents (led by SAI Spain);
- technical support for the SAI of Ukraine (led by SAI UK).
- real-time audit methodology (led by SAI Italy);
- population ageing (led by SAI Israel).

Within EUROSAT, the SAO is leading three international projects: BIEP, the EUROSAT audit database and the EUROSAT professional internship programme (the *EUROSAT Secondment Programme*).

Within **INTOSAT**, representatives of the SAO participated in meetings of the following working groups and initiatives:

- The SAO's auditors are members of the INTOSAT group known as *Initiative T*, which focuses on developing a uniform terminology for ISSAI. The meetings of this initiative take place exclusively online.
- A new INTOSAT Working Group on Follow-up Audits (INTOSAT WGFA) was established in 2025. It is led by SAI Malaysia under the auspices of INTOSAT KSC. Its aim is to provide a platform for sharing experience gained from conducting follow-up audits. The inaugural meeting of the INTOSAT WGFA took place from 25 to 29 June 2025 in Malaysia.
- The 23rd meeting of the INTOSAT Working Group on Environmental Auditing (INTOSAT WGEA) took place in Malta from 30 June to 4 July 2025, with the agenda featuring plenary sessions and workshops on audits of public expenditure on environmental protection.
- The INTOSAT Working Group on Evaluation of Public Policies and Programmes (INTOSAT WGEPPP) met in Switzerland from 14 to 18 October 2025 to discuss the use of data in audits and efficient processing of data sources using new tools, including AI.



- In its capacity as a technical consultant, the SAO is involved in the INTOSAT IDI initiative, which aims to share knowledge on safeguarding the independence of SAIs and managing legal risks (known as LEG SAT). Representatives of LEG SAT met twice: on 23–27 February 2025 in Malta and on 20–23 October 2025 in Poland.

In 2025, SAO auditors participated in the following initiatives under the auspices of the **Contact Committee**:

- Representatives of the NextGenerationEU (NGEU) recovery fund and the Recovery and Resilience Facility met five times during 2025 to address ongoing and planned audits of national recovery plans. One meeting took place in person from 5 to 7 February 2025 in Bonn, Germany; the others were held online.



- A meeting of the Energy Audit Network took place on 9–10 April 2025 at the headquarters of the ECA, which also organised the event. The meeting focused on discussions concerning renewable energy sources, energy networks, energy efficiency and the impact of the energy transition on the population.
- On 15–17 September 2025 in Budapest, Hungary, the members of the Contact Committee VAT Working Group exchanged the latest information on changes in VAT legislation, both at European and national level, as well as the results of VAT audit work.



- The new European fiscal rules and current audits targeting fiscal policy areas were the topics of the Network on Fiscal Policy Audit meeting in Warsaw on 16–17 September 2025.



- A new activity focused on audits related to migration was launched in 2025, with the inaugural meeting taking place in Madrid on 7–8 October 2025.

The ECA chairs an informal working group of experts on performance audits in the transport sector. This group brings together 12 EU audit institutions. Its members, including the SAO representatives, regularly inform each other about ongoing and upcoming audits relating to transport infrastructure. In addition to the usual online meetings, representatives of the group also met in person on 12 September 2025 in Stockholm, Sweden.

Multilateral and bilateral negotiations outside the Czech Republic

At the multilateral level, 2025 was a pivotal year for the SAO thanks to the participation of its President in the INTOSAI Congress of Supreme Audit Institutions (INCOSAI). The congress takes place every three years and serves as the main forum for sharing experience and knowledge and for setting standards in the field of public audit. Its 25th session took place from 27 to 31 October 2025 in Egypt.

At the INCOSAI, the SAO was elected, together with SAI UK, to the INTOSAI Council. At the same time, the SAO was elected by INTOSAI members to the post of Vice-Chair of the INTOSAI KSC, which is chaired by SAI India.



The Vice-President of the SAO represented the SAI of the Czech Republic at conferences held to mark the 100th anniversary of the establishment of SAI Albania on 20 May 2025 and the 145th anniversary of the establishment of SAI Bulgaria on 10 November 2025.



On 15–16 May 2025, the President of the SAO met with the highest representatives of SAIs Poland, Hungary, Slovakia, Austria and Slovenia at the regular annual V4+2 meeting in Hungary. The main topics of the meeting included relations with the Parliament and legal remedies, data and the financial independence of the SAO, and the audit process from topic selection through to the conclusion of the audit.

On 3 June 2025, the Polish SAI hosted a conference in Warsaw for the heads of European SAIs, focusing on current security challenges such as cyberattacks, geopolitical tensions, hybrid threats and the vulnerability of critical infrastructure. The SAO President gave a presentation at the conference on how supreme audit institutions can respond to these threats.



The 64th meeting of the EUROSAI Governing Board was held in Stockholm on 16–18 June 2025. In addition to the regular administrative agenda and the sharing of experience from working groups and strategic objectives, the programme also included TED talks on the readability of audit reports and on environmental policy and sustainable development goals. The President of the SAO gave a presentation on the clarity of official language.



From 7 to 13 September 2025, the SAO President attended the 34th meeting of the INTOSAI Working Group on IT Audit (INTOSAI WGITA), a summit on artificial intelligence and the 17th meeting of the Steering Committee of the INTOSAI Knowledge Sharing and Knowledge Services Committee in Hyderabad, India. At this forum, the SAO successfully ran for the office of Vice-Chair of the INTOSAI KSC.

On 6 October 2025, a meeting was held at the ECA headquarters, attended by the Presidents of the ECA, the SAO and the Netherlands SAI, with the aim of strengthening cooperation among European supreme audit institutions in ensuring the efficient use of EU funds. The role of the audit institutions of EU Member States and the ECA in the preparations for the EU's Multiannual Financial Framework 2028+ and the upcoming Contact Committee meeting in Malta was also discussed at the meeting.



On 16–17 October 2025, the ECA Member for the Czech Republic, Jan Gregor, was visited by a SAO delegation at the ECA's Luxembourg headquarters. The delegation consisted of the SAO President and members of the SAO Board, who were informed during the meeting about the current activities of the ECA and the work of ECA colleagues in the individual audit chambers, and discussed its annual report. They also focused on audits within *the Recovery and Resilience Facility*.



From 19 to 20 November 2025, more than 90 representatives of the audit institutions of the EU Member States and the ECA met in Malta for the annual meeting of the Contact Committee to discuss strategic issues related to the EU's competitiveness, provide an overview of audits carried out by EU audit institutions in the field of competitiveness, and discuss the proposal for the 2028+ EU budget, the reinforcement of independent audit of European Investment Bank funds and the role of SAIs in auditing EU funds.

During a one-hour session, the President of the SAO, together with Pieter Duisenberg, President of the Netherlands SAI, emphasised the importance of high-quality audits of EU funds at national level and the need to assess not only compliance with the rules, but also the actual impact and added value of the use of these funds. The SAO President's presentation was of crucial importance for sharing experience in the area of auditing EU funds and for launching a new initiative under the auspices of the Contact Committee in this field in 2026.



EU Contact Committee Meeting
19-20 November 2025, Malta

The President of the SAO accepted an invitation from Kay Scheller, President of the Federal Court of Audit (German SAI), to attend a meeting at the highest bilateral level, which took place on 8 July 2025 at the German SAI's headquarters in Berlin. The main topics of discussion were the audit of EU funds and discussions on defence, security, resilience and rail transport.



Bilateral meetings at the working and expert consultation levels in different countries focused on various audit and non-audit topics. For example, representatives of the SAO held talks on 6 May 2025 at the headquarters of the Austrian Court of Audit regarding the European Train Control System (ETCS). An audit of high-speed railway lines was discussed in Poland on 9 July 2025. Two consecutive meetings took place in Slovakia on 17 October and 23 October 2025. The first focused on developing cooperation and enhancing the quality of audit work, while the second concerned the sharing of experience in the use of artificial intelligence in audit work and the development of AI platforms within the framework of supreme audit institutions.

4. THE SAO'S PUBLIC OUTREACH

4.1 PROVISION OF INFORMATION PURSUANT TO ACT NO 106/1999 COLL., ON FREE ACCESS TO INFORMATION

In 2025, the SAO received thirty-six written requests for information pursuant to Act No 106/1999 Coll., on Free Access to Information, as amended (Information Act). In response to twenty-four requests, the SAO provided the requested information in full, including e.g. SAO audit reports (including declassified ones), information on the results of audit activities and the remuneration of SAO staff, as well as information concerning funds paid out under Act No 82/1998 Coll., on Liability for Damage Caused During the Exercise of Public Authority by a Decision or Incorrect Official Procedure.

Further to three requests for information concerning the conduct of an audit, the SAO issued a decision partially rejecting the request pursuant to Section 11, Article 4(d) of the Information Act; with regard to the remaining parts of the requests, it provided a link to the published information in one case and, in the two remaining cases, sent a notification regarding the processing of part of the request.

The SAO issued one full and one partial decision rejecting a request under Section 11, Article 1(a) of the Information Act. This information related exclusively to internal guidelines and staff regulations, specifically concerning the plans and activities of the SAO's Internal Audit Department.

The SAO issued one additional decision rejecting a request pursuant to Section 11, Articles 3 and 4(d). The information concerned the preparations for and conduct of a SAO audit, as well as information obtained by the SAO from a third party in the course of carrying out its audit, supervisory, oversight or similar activities. An appeal was lodged against this decision made by the SAO. The appeal is currently being reviewed by the Office for Personal Data Protection, which has yet to issue its decision.

The SAO set aside four requests pursuant to Section 2, Article 4 or Section 14, Article 5(c) of the Information Act, as they concerned requests for an opinion or requests related to information falling outside the SAO's remit. In relation to one of these requests, which concerned the disclosure of personal data of a former Board member, a complaint was lodged with the SAO regarding the denial of the requested information. The complaint was referred to the Office for Personal Data Protection, which has yet to make a decision.

Two requests were handled by referring the applicants to information already in the public domain; specifically, these concerned audits carried out at Motol University Hospital and certain audits conducted during the past year. A complaint was filed regarding the procedure in processing the second request. The complaint was dealt with by the SAO within the statutory time limit.

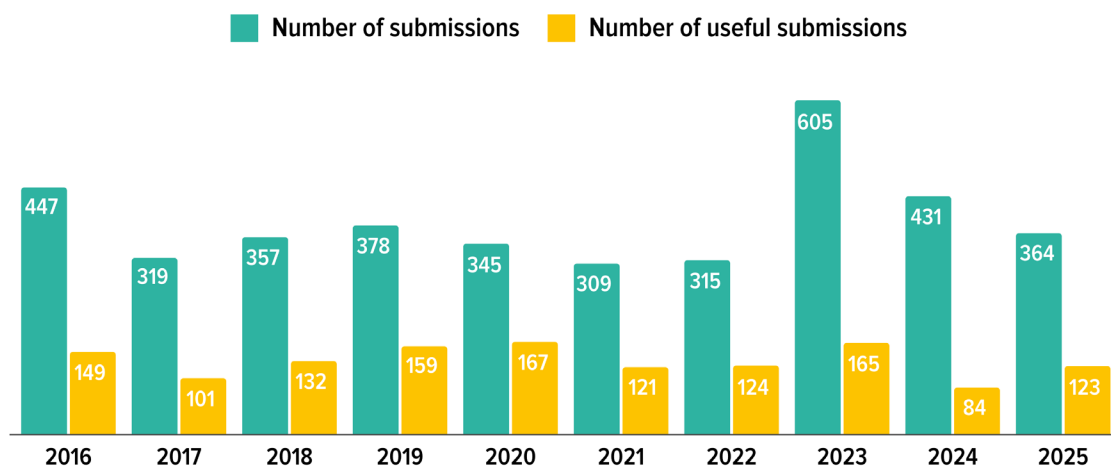
All the requests for information were dealt with within the statutory time limits.

4.2 CITIZENS' SUBMISSIONS

In 2025, the SAO's Communication Department registered 364 written submissions (suggestions, complaints, requests, enquiries etc.) from citizens and legal entities. The content of all the submissions is evaluated with regard to the SAO's powers and in terms of the potential use of the information in audit work. Submissions concerning areas covered by the SAO's competence are used as a supplementary information source in the context of related planned audits and when preparing ideas for audits in the coming period. In 2025, the SAO received 123 external suggestions that could thus be acted on, i.e. 34%

of the total number of submissions received. In its audit work, the SAO used the findings from submissions focusing mainly on the management of state property and state budget funds and on the use of special-purpose subsidies provided from national sources and European funds to various beneficiaries.

Chart 23: Overview of the total number of useful submissions and their usefulness for SAO's audit activities between 2016 and 2025



Most communication from citizens to the SAO in 2025 was again in electronic form, primarily via email, data box and the *Write to us* application on the SAO website.

5. MANAGEMENT OF FINANCES ALLOCATED TO THE SAO BUDGET CHAPTER IN 2025

5.1 COMPLIANCE WITH MANDATORY INDICATORS OF THE SAO BUDGET CHAPTER

The approved budget of chapter 381 – *Supreme Audit Office* for 2025 was laid down by Act No 434/2024 Coll., on the State Budget of the Czech Republic for 2025.

An overview of compliance with the defined mandatory indicators in 2025 is given in the following table:

Table 12: Overview of the fulfilment of the set mandatory indicators in 2025

(CZK)

	Approved budget	Budget after changes (BaC)	Final budget (R3)	Real budget	% fulfilment to BaC	% fulfilment to R3
Overall indicators						
Total revenue	964,000.00	964,000.00	0.00	1,991,413.00	206.58	0.00
Total expenditure	648,573,450.00	648,573,450.00	684,035,217.00	646,929,747.63	99.75	94.58
Specific indicators - revenues						
Total non-tax revenues, capital revenues and transfers received	964,000.00	964,000.00	0	1,991,413.00	206.58	0.00
In which: Total revenue from the EU budget excluding Common Agricultural Policy	0.00	0.00	-	0.00	0.00	-
Total miscellaneous non-tax revenues, capital revenues and transfers received	964,000.00	964,000.00	0,00	1,991,412.94	206.58	-
Specific indicators – expenditures						
Expenditures on performance of SAO's duties	648,573,450.00	648,573,450.00	684,035,217.00	646 929 747,63	99.75	94.58
Cross-cutting indicators						
Staff salaries and other payments for work performed	387,824,536.00	387,824,536.00	388,188,356.00	384,145,688.00	99.05	98.96
Obligatory insurance premiums paid by the employer	131,084,693.00	131,084,693.00	130,437,023.00	128,750,621.00	98.22	98.71
Basic allocation of the cultural and social needs fund	3,505,805.00	3,505,805.00	3,486,644.00	3,486,644.00	99.45	100.00
Salaries of staff in active employment, excluding staff in official positions	350,580,542.00	350,580,542.00	350,664,362.00	350,664,362.00	100.02	100.00
Salaries of staff in official posts under the Civil Service Act	–	–	–	–	–	–
Salaries of staff in official posts according to Act No 240/2000, Coll.	–	–	–	–	–	–
Total expenditure co-financed in full or in part by the EU budget (excluding Common Agricultural Policy)	–	–	–	–	–	–
In which: from the state budget	–	–	–	–	–	–
EU budget share	–	–	–	–	–	–
Total expenditure registered in EDS/SMVS programme financing information system	27,500,000.00	27,500,000.00	37,780,000.00	29,699,162.69	108.00	78.61

REVENUE

Actual revenue in the SAO budget chapter was CZK 1,991.41 thousand, i.e. 206.58% of the approved budget revenue of **CZK 964 thousand**.

EXPENDITURE

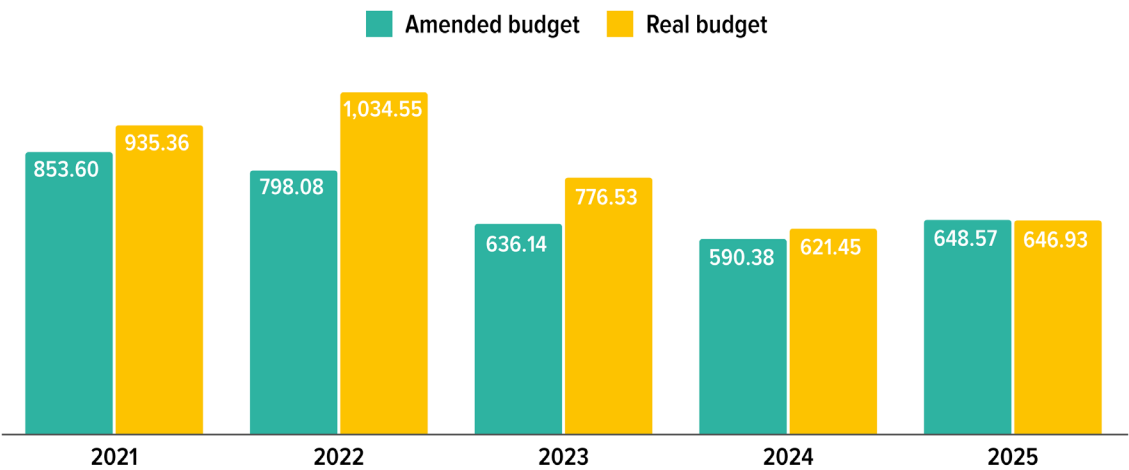
The approved expenditure of the budget chapter was **CZK 648,573.45 thousand**. Unused expenditure from previous years totalling CZK 47,480.78 thousand was carried forward and tied funds totalling of CZK 12,019.01 thousand were factored into the budget. The final expenditure budget was CZK 684,035.22 thousand. Actual expenditure was CZK 646,929.75 thousand, representing 99.75% of the approved budget and amended budget and 94.58% of the final budget.

The biggest expenditure item (CZK 512,896.31 thousand, i.e. 79.28%) relates to salary expenditures and other payments for work done (including expenditures on salaries of SAO officials) and related expenses, i.e. statutory insurance premiums.

All the mandatory indicators of the SAO budget chapter were complied with in 2025.

Chart 24 gives an overview of expenditure in budget chapter 381 – *Supreme Audit Office* from 2021 to 2025. From 2021 to 2024, the budget gradually decreased following certain changes. The main reason for the decrease was the difference in funding for the construction of the SAO headquarters and also the Government’s effort to reduce operating expenditure. Based on the Government’s requirements to reduce operating expenditure, the budget was adjusted in such a way that it was already clear at the stage of preparing the draft budget that the requirements and contractual commitments of authorising officers would need to be covered from claims arising from unused expenditure. In 2025, the budget increased year-on-year. Salaries grew by 5%, and operating expenditure was reduced by CZK 23.5 million compared to 2024 (CZK 55.78 million in 2024).

Chart 24: Summary of expenditure of Chapter 381 – *Supreme Audit Office* – according to the amended budget and budget implementation for 2021–2025



5.2 CLAIMS FROM UNUSED EXPENDITURE

Claims from unused expenditure stood at CZK 81,796.05 thousand as at 31 December 2025. In the year under review, claims from unused expenditure totalling CZK 47,480.78 thousand were factored into the budget, of which CZK 10,280 thousand was earmarked for programme funding.

5.3 EXPENDITURE ON ASSET REPLACEMENT PROGRAMME FINANCING

The approved budget for expenditure on asset replacement programme financing was CZK 27,500 thousand. Claims from unused expenditure amounting to CZK 10,280 thousand were factored into the budget. The final budget thus stood at CZK 37,780 thousand. CZK 29,699.16 thousand of the budget was utilised, i.e. 108% of the approved budget (and the budget after changes) and 78.61 % of the final budget.

Programme **08101 – Development and Renewal of the Material and Technical Resources of the SAO from 2020** covers the years 2020–2026. The state budget's contribution to financing the programme is set at a maximum of CZK 154,812,20 thousand. A budget of CZK 27,500 thousand was approved for 2025. Unused expenditure amounting to CZK 10,280 thousand was factored into the budget. The final budget thus stood at CZK 37,780 thousand. The programme's aim is to put in place the right material and technical conditions for the performance of audit activities and work of SAO staff. The amount spent on the programme in 2025 was CZK 29,699.16 thousand. From the start of the programme (i.e. from 1 January 2020) to 31 December 2025, a total of CZK 86,526.46 thousand was spent on the programme.

The programme comprises two expenditure sub-headings:

- 081V01100 – *Procurement, renewal and operation of the SAO's IT systems;*
- 081V01200 – *Replacement of the SAO's assets.*

5.4 INFORMATION ON EXTERNAL AUDITS

The following audits were carried out by external bodies at the SAO in 2025:

- An audit of public health insurance premium payments and compliance with other obligations of the insurance premium payer was carried out by the General Health Insurance Company of the Czech Republic on 27 March 2025.

Conclusion: An isolated failure to pay the prescribed public health insurance premiums on time due to a state of legislative emergency,¹³⁹ resulting in a penalty being imposed, which was subsequently waived on the basis of a decision mitigating the harshness of the law.

- An inspection by the Public Health Office of the Capital of Prague, focused on compliance with obligations laid down by legal regulations in the field of public health protection and by EU regulations in the SAO children's group facility, was carried out from 24 June 2025 to 14 July 2025.

Conclusion: No deficiencies were identified during the inspection of the obligations.

¹³⁹ Act No 236/1995 Coll., on Salaries and Other Conditions Associated with the Discharge of Office of State Officers, Officers of Certain Governmental Authorities, and Judges and Members of the European Parliament, as amended, based on which they are remunerated, was adopted on 6 March 2025.

- Inspection of the operation and functionality of HACCP¹⁴⁰ in the training centre of the Supreme Audit Office, carried out by DW Hygiena, s. r. o. (*limited liability company*), with its registered office at Vrázova 352, 664 61 Rajhrad, on 30 June 2025.

Conclusion: The operator complies with all the hygiene requirements for catering operations. All employees conscientiously comply with the criteria stemming from the established HACCP system.

- The National Cyber and Information Security Agency (hereinafter also referred to as “NUKIB”) carried out penetration testing during September and October 2025.

Conclusion: The final report dated 8 December 2025 set out the results of the testing, and within six months NUKIB will be informed of the countermeasures taken.

5.5 COMPULSORY AUDIT

The annual financial statements of the SAO were audited pursuant to Section 33, Article 3 of Act No 166/1993 Coll., on the Supreme Audit Office, as amended. The auditor’s statement was: “In our opinion, the financial statements present a true and fair view of the Supreme Audit Office’s assets and liabilities as at 31 December 2025 and its expenses and revenues and profit/loss for the year ended 31 December 2025 in accordance with the Czech accounting regulations.”

6. INTERNAL AUDIT DEPARTMENT

The Internal Audit Department is divided into governing and executive structures, is functionally independent and answers directly to the SAO President. The purpose, powers and responsibilities of the internal audit were set out in Guideline No 77, on ensuring internal audit at the Supreme Audit Office; its quality and efficient performance is supported by the Internal Audit Department's documentation. The average annual converted number of employees carrying out internal audit in the year under scrutiny was 4.441.

According to the approved annual plan for 2025, **the Internal Audit Department carried out a total of four audits and one consultation¹⁴¹.**

Table 13: Number of activities implemented according to the internal audit plan for 2025

Number of completed internal audits included in the annual plan	Number of completed consultations included in the annual plan	Number of completed internal audits and consultations not included in the annual plan
4	0	1

Source: reports on internal audit findings and information regarding the consultation

The above-mentioned internal audits and consultations verified the functionality and effectiveness of the measures adopted on the basis of the recommendations of the Internal Audit Department, the compliance of the procedures followed by the SAO's units concerned with selected legal regulations, the compliance of the activities performed with their description in the internal regulations, the functionality of the fulfilment of the objectives and tasks of the audited units, the functionality and effectiveness of the internal control system, the economy and effectiveness of the funds spent in the utilisation of selected budget items and the efficiency of the SAO's processes and activities.

Recommendations were made by the Internal Audit Department to address the deficiencies identified by internal audits and consultations. The reports from the internal audits and consultation were submitted to the SAO President. In response to all the recommendations, the senior staff responsible for the management of the audited activities took appropriate and timely corrective actions to improve the effectiveness of the internal control system and the efficiency of the audited area. The choice of all measures took and takes into account the benefits, costs and side effects. It was not and is not possible for all measures, including those that are not effective, efficient or economical, to be applied to every single case, state or situation. The Internal Audit Department regularly assesses the implementation of adopted measures and monitors them until they are fully executed.

On 26 January 2026, the President of the Supreme Audit Office, Miloslav Kala, received and signed the *Annual Report on the Results of Internal Audit for 2025*. This report contains the following declaration on internal audit: *"Based on the results of the audits, we declare that in the selected areas of the internal operation and financial management of the SAO in the audited period the design of management and control mechanisms was proportionate and effective, with the exception of deficiencies of intermediate or low significance. These identified deficiencies, however, were not of such a nature as to materially affect the protection of public finances, the performance of financial management and the functionality of the internal control system. Their systematic solution will contribute to improving the quality of the control environment, updating and complying with internal regulations, employee training, and the protection of the SAO's rights and legitimate interests."*

In 2025, the Internal Audit Department found no deficiencies with a significant risk of adversely affecting the SAO's activities or causing a decrease in the SAO's financial performance.

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According to the Global Sustainable Investment Alliance (GSIA), this is an advisory service.

No significant findings within the meaning of Section 22, Article 5 of Act No 320/2001 Coll., on Financial Control in Public Administration and Amending Certain Acts (Financial Control Act), or breaches of budgetary discipline within the meaning of Act No 218/2000 Coll., on Budgetary Rules and Amending Certain Related Acts (Budgetary Rules), as amended, were identified during the internal audits.

No risk of corruption or fraud was detected or reported that might indicate impropriety or abuse of office in decision-making and management processes or failings by individual SAO employees. At the same time, no breach of the *SAO Code of Ethics* was reported or detected.

7. SECURITY DEPARTMENT

The Security Department of the Supreme Audit Office is responsible for the comprehensive management of security and fire alarm systems, including the implementation of security measures. It ensures the physical protection of buildings and the protection of classified information in accordance with Act No 412/2005 Coll., on the Protection of Classified Information and on Security Competence. It also acts as a guarantor in the areas of occupational health and safety, crisis management, and emergency preparedness. Its remit also includes the performance of tasks in the field of cybersecurity pursuant to Act No 264/2025 Coll., on Cybersecurity.

In addressing emergency situations, the Security Department cooperates systematically with the Ministry of the Interior, the Ministry of Defence, the National Cyber and Information Security Agency, the individual components of the Integrated Rescue System and other relevant crisis-management entities, including, for example, regional authorities, municipal authorities of municipalities with extended competence, public health authorities and operators of critical infrastructure elements. This cooperation involves coordination in dealing with specific situations, as well as the organisation of specialised exercises and professional training focused on the efficient management of emergencies.

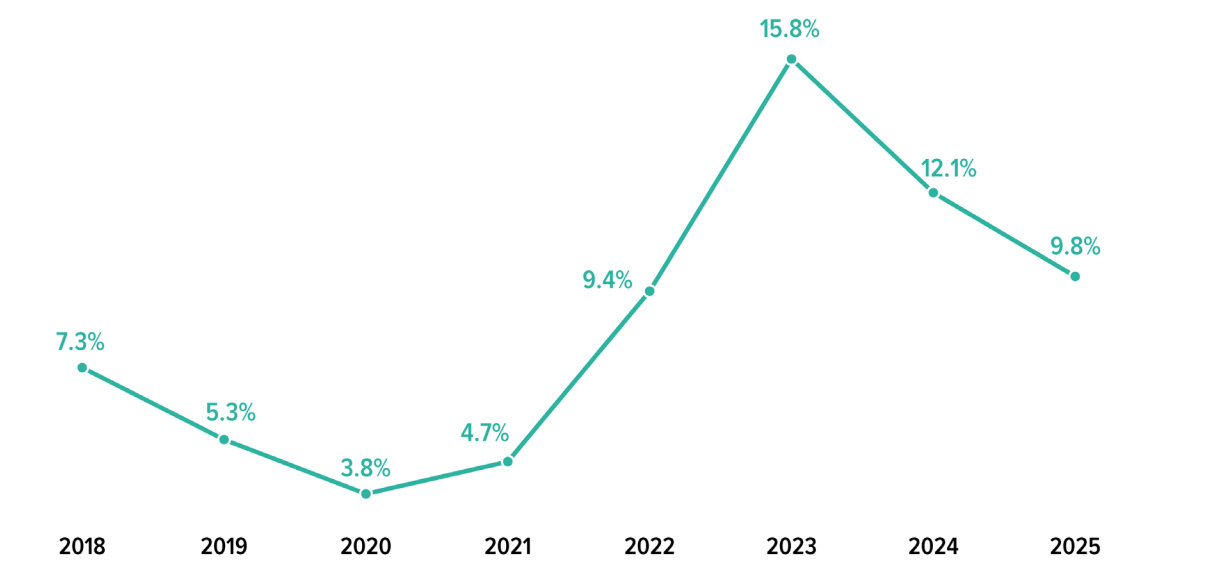
In 2025, the National Cyber and Information Security Agency carried out comprehensive penetration testing aimed at assessing the resilience of the Supreme Audit Office's systems. The testing included both internal and external penetration tests, load tests, social engineering simulations and physical security checks, which enabled the detailed identification and subsequent elimination of potential security risks.

The security strategies and perimeter protection system that have been implemented ensure the secure handling of classified information within certified information systems. These systems underwent successful recertification in 2025, confirming their compliance with current security standards and requirements for the protection of classified information.

8. SAO STAFFING

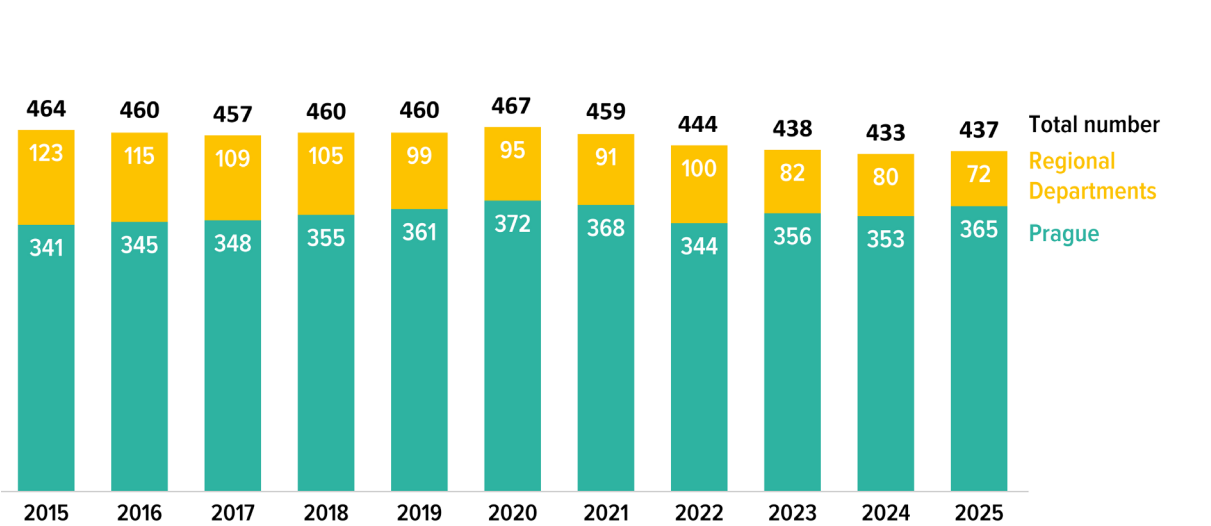
As at 31 December 2025, the SAO had 456 staff (natural persons), 299 of whom worked in the Audit Section, i.e. 65.6% of the total number of employees (natural persons). A total of 68 new employees were recruited in 2025 and 59 employees ended their employment. The fluctuation rate in 2025 was 9.8% (see Chart 25).

Chart 25: Development of the annual turnover rate of SAO staff for the period 2018–2025



The converted average number of employees in the SAO for 2025 was 436 (see Chart 26); the converted average number of employees in the Audit Section for 2025 was 286.

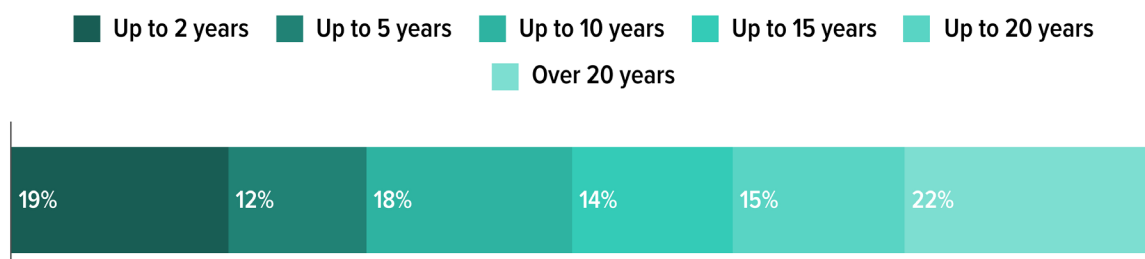
Chart 26: Development of the average number of SAO employees for the period 2015–2025



Note: The values for the categories in 2025 (71.6; 364.5) are rounded to whole numbers in the chart; the sum of the categories therefore differs from the actual total number of employees (436).

On that date, 18.19% of the total number of employees had been employed by the SAO for less than two years. 21.86% of the total workforce had been employed by the SAO for over 20 years (see Chart 27).

Chart 27: Overview of employment duration at the SAO as of 31 December 2025 (%)



The SAO offers its employees equal working conditions and opportunities (see Charts 28 and 29).

Chart 28: Proportional representation of men and women employed by the SAO in 2025 (%)

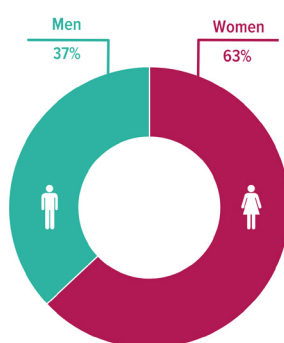
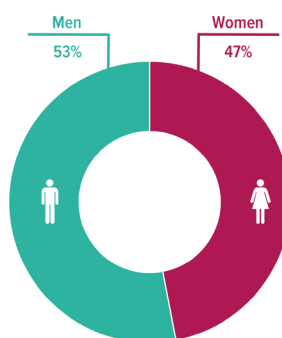
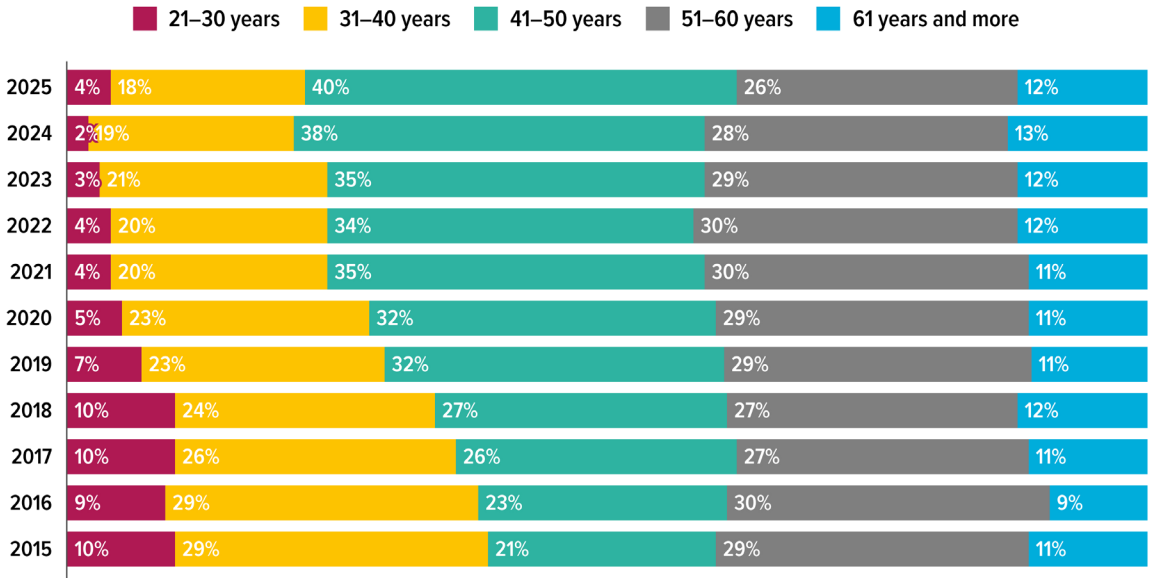


Chart 29: Representation of men and women in senior positions at the SAO, as of 31 December 2025 (%)



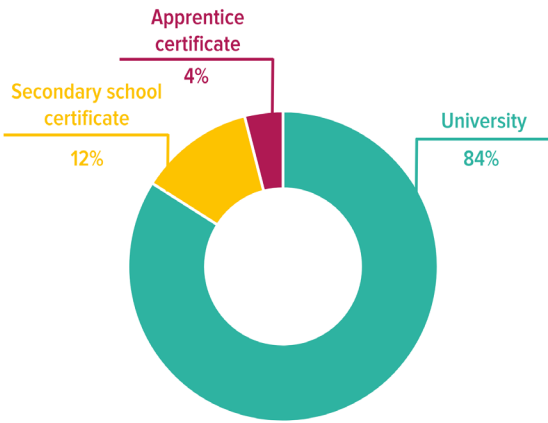
The average age of SAO employees in 2025 was 48.6.

Chart 30: Overview of the age structure of the SAO staff for the period 2015–2025 (comparison of staffing levels as of 31 December 2025)



83.95% of the SAO’s workforce were university-educated as at 31 December 2025 (see Chart 31).

Chart 31: Qualification structure of SAO employees by education as of 31 December 2025

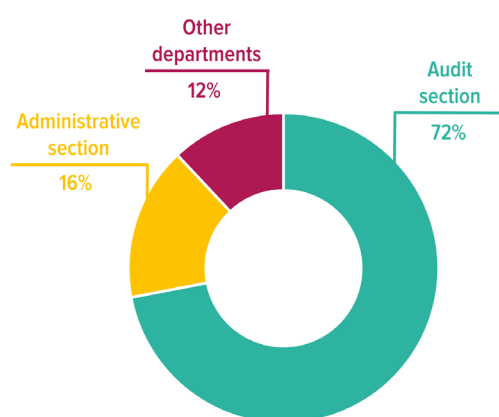


Labour-law, salary and other demands of SAO employees were satisfied in accordance with the valid collective bargaining agreement.

TRAINING AND DEVELOPMENT

Training activities took place across the SAO in 2025 (see Chart 32). The main objective was to systematically strengthen staff skills across the various areas of the SAO's remit and to support their readiness to meet the new challenges associated with the digitalisation of public administration. At the same time, information on the European AI Act was systematically integrated into training activities.

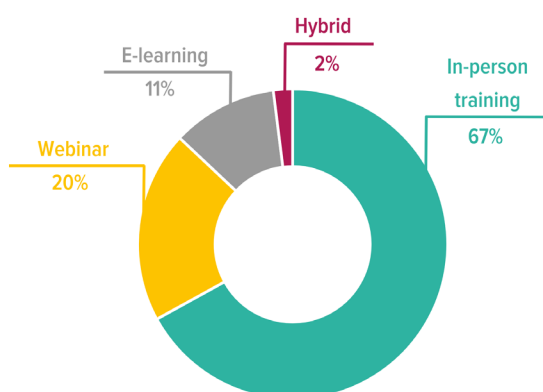
Chart 32: Employee participation in training activities by section (%)



The training was delivered in the form of webinars, face-to-face training sessions, e-learning courses or hybrid learning combining in-person and online learning (see Chart 33).

Lecturers were external experts and internal specialists, primarily from the audit section.

Chart 33: Types of training activities in 2025 (%)

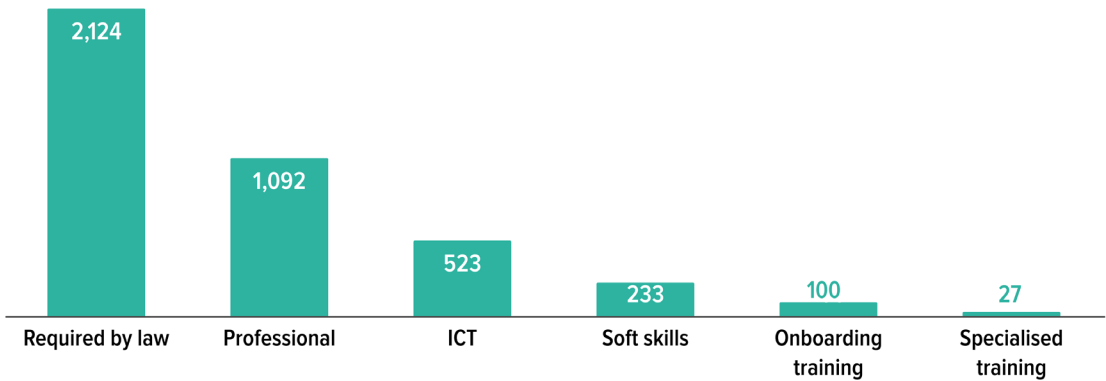


The training system at the SAO in 2025 comprised a comprehensive structure of training courses designed to promote all-round professional development of staff. The system included the following as its integral part:

- **onboarding training** supporting the effective adaptation of new employees with the aim of their rapid integration into the work process;
- **statutory training** (delivered via e-learning), including training in occupational health and safety (OHS) and fire protection (FP), legislation on classified information, cybersecurity, driver training, and training focused on the safe and responsible use of artificial intelligence;
- **professional training** focusing on specific professional skills and first aid courses, issues relating to fraudulent behaviour in cyberspace, security risks on business trips, etc.;
- **specialised training** “URoK” – *the use of accounting and budgetary data in audit*, intended for selected employees and aimed at strengthening knowledge in the area of financial management and budgetary responsibility;
- development of **soft skills**, especially in the areas of critical thinking and resistance to manipulation, supporting high-quality decision-making processes and the ability to navigate challenging communication situations.

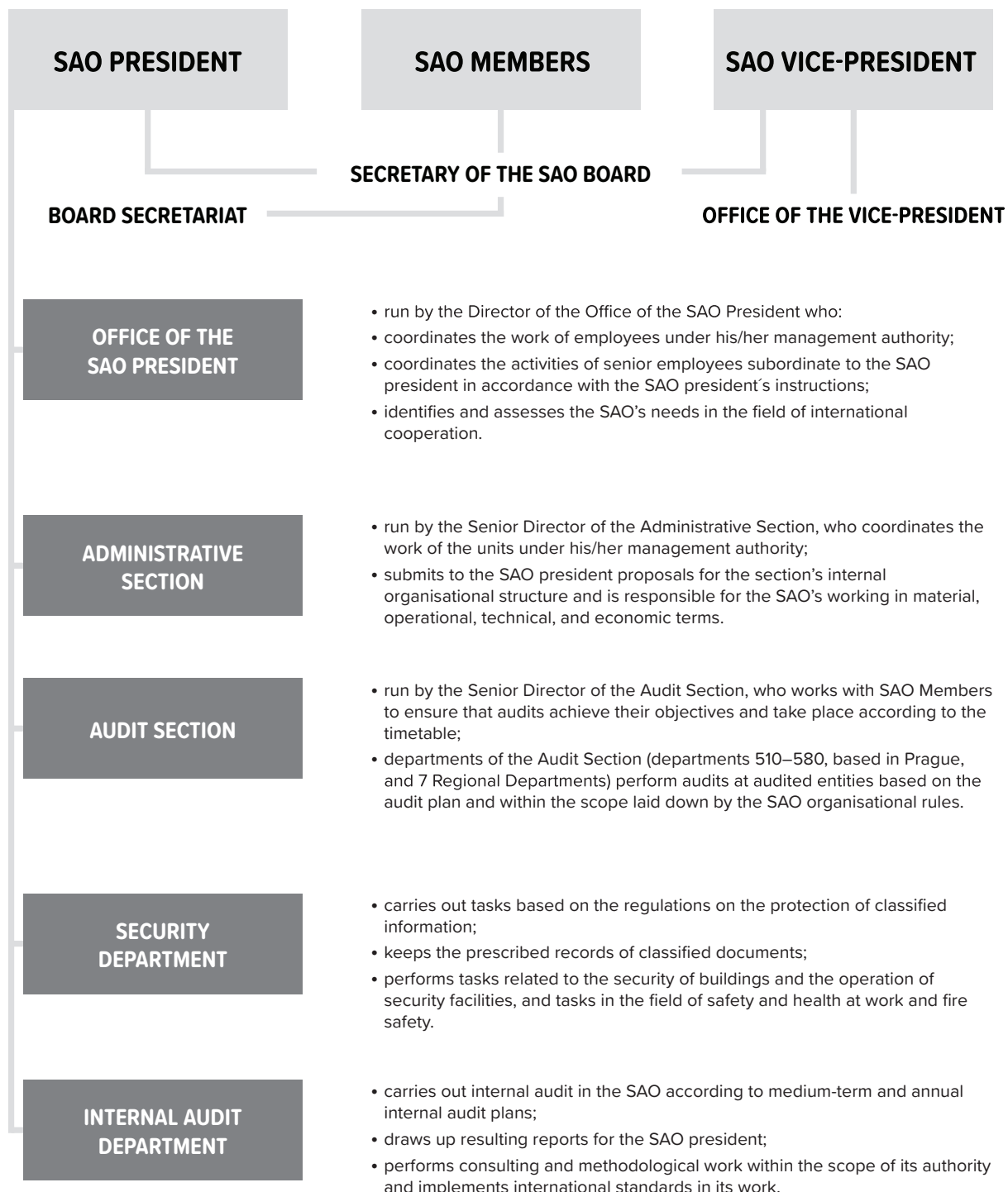
ICT training courses were also an important part of the training system, including, for example, “MS 365 Copilot – AI for Users”. This allowed staff to expand their awareness of the possibilities of using artificial intelligence in everyday practice and supported more efficient work with digital tools.

Chart 34: Number of participants by type of training



The SAO has long pursued and systematically developed cooperation with the academic community and partner institutions, especially through memoranda of cooperation, various cooperation and collaboration agreements, framework cooperation agreements, etc.

9. ORGANISATIONAL STRUCTURE OF THE SAO



Annex 1: Audits included in the Audit Plan for 2025

Audits included in the Audit Plan for 2025						
Audit No	Subject of audit	Start of audit (month/year)	Submission of the audit report for approval (month/year)	Chapter administrator	The audit report is drawn up by SAO Member	Audit report approved by
25/01	Value added tax administration with a focus on cross-border e-commerce	1/2025	10/2025	MoF	Ing. Kubíček	SAO Board
25/02	Funds earmarked for projects supporting evaluation and management of the regional education system	1/2025	12/2025	MoEYS	Ing. Šmucr	SAO Board
25/03	Administration of the state's equity holdings	2/2025	12/2025	MoF, MoIT, MoA	RNDr. Koniček	SAO Board
25/04	Funds earmarked for the support of local roads renewal	2/2025	12/2025	MoRD	Ing. Kinšt	SAO Board
25/05	Funds spent on the implementation of European train protection equipment	3/2025	3/2026	MoT	Ing. Rychnovský	SAO Board
25/06	Funds spent by the Ministry of Agriculture to support flood protection and water retention in the landscape	3/2025	1/2026	MoA	Ing. Hrnčíř	SAO Board
25/07	Funds earmarked for strengthening resilience of the healthcare provider backbone network	3/2025	3/2026	MoRD, MoH	Mgr. Sklenák	SAO Board
25/08	Funds earmarked for the support of climate change adaptation measures in rainwater management	3/2025	4/2026	MoE	RNDr. Neuvirt	SAO Board
25/09	Funds earmarked for the preparation of construction of high-speed railway connections	4/2025	2/2026	MoT	Ing. Šmucr	SAO Board
25/10	Funds earmarked for Helicopter Aviation of the Czech Armed Forces	6/2025	4/2026	MoD	Ing. Šmucr	SAO Board
25/11	Funds earmarked for the development of clean mobility	6/2025	3/2026	MoT, MoIT	RNDr. Neuvirt	SAO Board

Audits included in the Audit Plan for 2025						
Audit No	Subject of audit	Start of audit (month/year)	Submission of the audit report for approval (month/year)	Chapter administrator	The audit report is drawn up by SAO Member	Audit report approved by
25/12	Funds spent by the Ministry of the Interior on the Czech Police Aviation Department	6/2025	3/2026	MoI	Ing. Slancová, MPA, LL.M.	SAO Board
25/13	Funds earmarked for research and development in the health sector	7/2025	4/2026	MoH	Ing. Beznoska	SAO Board
25/14	Property and funds managed by the Institute of Clinical and Experimental Medicine	8/2025	5/2026	MoH	Mgr. Sklenák	SAO Board
25/15	Closing account of the state budget chapter <i>Office for Personal Data Protection</i> for the year 2025, the financial statements of the Office for Personal Data Protection for the year 2025 and the data submitted by the Office for Personal Data Protection for evaluation of the state budget implementation for the year 2025	8/2025	6/2026	Czech DPA	Ing. Rychnovský	SAO Board
25/16	Closing account of the state budget chapter <i>Czech Statistical Office</i> for the year 2025, financial statements of the Czech Statistical Office for the year 2025 and data submitted by the Czech Statistical Office for evaluation of the state budget implementation for the year 2025	8/2025	6/2026	CSO	Ing. Steidlová	SAO Board
25/17	Closing account of the state budget chapter <i>Digital and Information Agency</i> for the year 2025, the financial statements of the Digital and Information Agency for the year 2025 and the data submitted by the Digital and Information Agency for evaluation of the state budget implementation for the year 2025	8/2025	7/2026	DIA	Ing. Reisiegel, MPA	SAO Board
25/18	Funds spent by the Ministry of Agriculture to support applied research	8/2025	5/2026	MoA	RNDr. Koniček	SAO Board
25/19	Funds spent on transforming the disability care system	9/2025	6/2026	MoLSA	Mgr. Sklenák	SAO Board
25/20	Closing account of the state budget chapter <i>Academy of Sciences of the Czech Republic</i> for the year 2025, financial statements of the Academy of Sciences of the Czech Republic for the year 2025 and data submitted by the Academy of Sciences of the Czech Republic for evaluation of the state budget implementation for the year 2025	9/2025	7/2026	AS CR	Ing. Steidlová	SAO Board

Audits included in the Audit Plan for 2025						
Audit No	Subject of audit	Start of audit (month/year)	Submission of the audit report for approval (month/year)	Chapter administrator	The audit report is drawn up by SAO Member	Audit report approved by
25/21	Financial statements of the Labour Office of the Czech Republic for the year 2025 and data submitted by the Labour Office of the Czech Republic for evaluation of the state budget implementation for the year 2025	9/2025	7/2026	MoLSA	Ing. Reisiegel, MPA	SAO Board
25/22	Funds spent by the Ministry of Industry and Trade to support startups	9/2025	7/2026	MoIT	Ing. Koucký	SAO Board
25/23	Managing tax revenues from activities carried out through digital platforms	10/2025	7/2026	MoF	JUDr. Ing. Kalivoda	SAO Board
25/24	Funds earmarked for the support of public spaces revitalisation in towns and villages	10/2025	8/2026	MoRD	Ing. Beznoska	SAO Board
25/25	Funds spent by the Ministry of Defence on operational and tactical command and control systems of the Czech Armed Forces	10/2025	8/2026	MoD	Ing. Koucký	SAO Senate
25/26	Funds earmarked for the development and modernisation of the material and technical base of social services	11/2025	8/2026	MoLSA	JUDr. Ing. Kalivoda	SAO Board
25/27	Funds earmarked for the promotion of wine-growing and viticulture	11/2025	9/2026	MoA	Ing. Kinšt	SAO Board
25/28	Funds earmarked for the care of pre-school children	11/2025	9/2026	MoLSA	Ing. Slancová, MPA, LL.M	SAO Board
25/29	Funds spent by the Ministry of the Interior on the introduction of an electronic system for drafting legislation	The audit was excluded from the Audit Plan				
25/30	Funds spent on the Area Monitoring System under the EU's Common Agricultural Policy	11/2025	8/2026	MoA	Ing. Rychnovský	SAO Board

Annex 2: Overview of audits with an approved audit report during 2025

Overview of audits with an approved audit report during 2025						
Audit No	Subject of audit	Chapter administrator	The audit report is drawn up by SAO Member	Audit report approved by	Date of approval	Publication in the SAO Bulletin volume/year
24/04	Funds spent by the Ministry of the Interior on the project <i>Electronic Collection of Laws and International Treaties (eCollection)</i> and <i>Electronic Legislation (eLegislation)</i>	MoI, MoRD	Ing. Koucký	SAO Board	31 March 2025	3/2025
24/05	Funds spent under technical assistance on activities related to publicity and promotion of operational programmes and projects implemented in the 2014–2020 programming period	MoRD, MoIT	JUDr. Ing. Kalivoda	SAO Board	24 February 2025	1/2025
24/06	Funds of the <i>Modernisation Fund</i> earmarked to support renewable energy sources	MoIT, MoE	RNDr. Neuvirt	SAO Board	09 June 2025	3/2025
24/07	Funds spent on the creation and development of digital technical maps including related information systems	MoIT, COSMC	Ing. Kubiček	SAO Board	19 May 2025	3/2025
24/08	Funds spent on the activities of sports centres of the Ministry of the Interior and the Ministry of Defence	MoD, MoI	Ing. Stárek	SAO Board	14 April 2025	6/2025
24/09	Funds earmarked for the development and renewal of the material and technical base of university hospitals	MoH	RNDr. Koníček	SAO Board	09 June 2025	4/2025
24/10	Funds earmarked to support the infrastructure of regional social services	MoRD	Ing. Kinšt	SAO Board	31 March 2025	3/2025
24/11	Funds earmarked for checkweighing of vehicles on motorways and A-Class roads and revenue of the State Fund for Transport Infrastructure from fines imposed in connection with checkweighing of vehicles	MoT	Ing. Kinšt	SAO Board	19 May 2025	3/2025
24/12	Funds spent by the Ministry of Defence on training centres of the Czech Armed Forces	MoD	RNDr. Neuvirt	SAO Board	31 March 2025	3/2025
24/13	Funds earmarked for the development and renewal of the material and technical base of public universities	MoEYS	Ing. Beznoska	SAO Board	14 April 2025	3/2025

Overview of audits with an approved audit report during 2025						
Audit No	Subject of audit	Chapter administrator	The audit report is drawn up by SAO Member	Audit report approved by	Date of approval	Publication in the SAO Bulletin volume/year
24/14	Funds collected in the field of illegal employment	MoF, MoLSA	Ing. Kubiček	SAO Board	19 May 2025	4/2025
24/15	Assets and funds under the management of the Energy Regulatory Office	ERO	Ing. Šmucr	SAO Board	19 May 2025	3/2025
24/16	Funds earmarked to support forestry	MoA	Ing. Hrnčář	SAO Board	09 June.2025	4/2025
24/17	Funds earmarked for the targeted support of research, development and innovation through the budget chapters of the <i>Czech Science Foundation</i> and the <i>Technology Agency of the Czech Republic</i>	CSF, TACR	RNDr. Neuvirt	SAO Board	19 May 2025	3/2025
24/18	Funds earmarked for the development and operation of rest areas on motorways and income of the Road and Motorway Directorate from the rental of rest areas	MoT	Mgr. Sklenák	SAO Board	28 July 2025	4/2025
24/19	Closing account of the state budget chapter <i>Ministry of Labour and Social Affairs</i> for the year 2024, financial statements of the Ministry of Labour and Social Affairs and data submitted by the Ministry of Labour and Social Affairs for the assessment of the state budget implementation for the year 2024	MoLSA	Ing. Reisiegel, MPA	SAO Board	14 July2025	4/2025
24/20	Closing account of the state budget chapter <i>Ministry of Culture</i> for 2024, financial statements of the Ministry of Culture for 2024 and data submitted by the Ministry of Culture for the assessment of the state budget implementation for the year 2024	MoC	Ing. Steidlová	SAO Board	23 June 2025	3/2025
24/21	State property and funds managed by selected state enterprises in liquidation within the purview of the Ministry of Industry and Trade and the Ministry of Agriculture	MoIT, MoA	Ing. Hrnčář	SAO Board	28 July 2025	6/2025
24/22	Closing account of the state budget chapter <i>National Sports Agency</i> for the year 2024, financial statements of the National Sports Agency for the year 2024 and data submitted by the National Sports Agency for the assessment of the state budget implementation for the year 2024	NSA	Ing. Steidlová	SAO Board	23 June 2025	1/2026

Overview of audits with an approved audit report during 2025						
Audit No	Subject of audit	Chapter administrator	The audit report is drawn up by SAO Member	Audit report approved by	Date of approval	Publication in the SAO Bulletin volume/year
24/23	Closing account of the state budget chapter <i>Czech Telecommunication Office</i> for the year 2024, financial statements of the Czech Telecommunication Office for the year 2024 and data submitted by the Czech Telecommunication Office for the assessment of the state budget implementation for the year 2024	CTO	Ing. Reisiegel, MPA	SAO Board	14 July 2025	4/2025
24/24	Funds spent by the Ministry of Industry and Trade to promote energy efficiency and renewable energy sources	MoIT	RNDr. Neuvirt	SAO Board	22 September 2025	Not yet published
24/25	Assets and funds under the management of the State Institute for Drug Control	MoH	Ing. Stárek	SAO Board	18 August 2025	4/2025
24/26	Funds related to information support for visa services and other consular activities	Mol, MoFA	Ing. Kubiček	SAO Board	10 November 2025	1/2026
24/27	Funds spent by the Ministry of Defence on air defence	MoD	Ing. Rychnovský	SAO Board	08 September 2025	The audit report was not published in accordance with Section 30 Article 3 of the Act on the Supreme Audit Office
24/28	Funds spent in connection with the professionalisation and improvement of the quality of the civil service and the performance of the civil service	Mol	Ing. Koucký	SAO Board	24 November 2025	1/2026
24/29	Funds earmarked for information and advisory support for the participation of Czech research teams in the <i>Horizon 2020</i> and <i>Horizon Europe</i> research framework programmes	MoEYS	Ing. Kubiček	SAO Board	10 November 2025	1/2026
24/30	Funds earmarked to support applied research, experimental development and innovation in the field of transport – <i>TRANSPORT 2020+</i> programme	MoT, TACR	RNDr. Koniček	SAO Board	20 October 2025	1/2026
24/31	Administration of court fees and collection of judicial claims	MoF, MoJ	JUDr. Ing. Kalivoda	SAO Board	20 October 2025	1/2026

Overview of audits with an approved audit report during 2025						
Audit No	Subject of audit	Chapter administrator	The audit report is drawn up by SAO Member	Audit report approved by	Date of approval	Publication in the SAO Bulletin volume/year
24/32	Selected state property and funds under the management of the Labour Office of the Czech Republic	MoLSA	Mgr. Sklenák	SAO Board	06 October 2025	6/2025
24/33	Funds earmarked for the protection of soft targets	MoC, MoEYS, Mol, MoH	Ing. Beznoska	SAO Board	10 November 2025	1/2026
25/01	Value added tax administration with a focus on cross-border e-commerce	MoF	Ing. Kubíček	SAO Board	10 November 2025	6/2025
25/02	Funds earmarked for projects supporting evaluation and management of the regional education system	MoEYS	Ing. Šmucr	SAO Board	08 December 2025	1/2026

Annex 3: Overview of audits whose approved audit reports were discussed by the Committee on Budgetary Control of the Chamber of Deputies of the Parliament of the Czech Republic in 2025

Overview of audits whose approved audit reports were discussed by the Committee on Budgetary Control of the Chamber of Deputies of the Parliament of the Czech Republic in 2025						
Committee Resolution	Date of session	Session No	Audit report	Government Material No	Government Resolution (No/year)	Summary of the Committee's Resolution
229	12 June 2025	45	22/17	900/23	883/23	The CBC notes: a) AR No 22/17, b) the opinion of the MoA contained in Part II of Government Material No 900/23, c) Government Resolution No 883/23.
227	12 June 2025	45	23/08	878/24	781/24	The CBC I. notes: a) AR No 23/08, b) the opinion of the MoD contained in Part IV of Government Material No 878/24, c) Government Resolution No 781/24; II. states, that: a) between the years 2018 and 2022, the Ministry of Defence failed to substantially carry out its planned investment projects related to modernisation of engineering corps, b) according to the findings of the SAO, there were several cases of suspected breaches of budgetary discipline and Act No 134/2016 Coll., on Public Procurement, particularly as a result of selection criteria that were not set transparently, c) as a result of these shortcomings, the equipment is rapidly becoming obsolete, the operational readiness of the engineering corps is declining, and the ability of the Czech Army to carry out its mission in critical situations is being limited; III. requests the Minister of Defence to: a) adopt system measures to ensure the transparency of competitive procurement procedures, including an independent review of bidding documents for investments exceeding CZK 5 million, b) conduct an internal review of contracts in which the SAO had identified the suspected violations of the law, and to hold those responsible to account, c) by the end of 2025, resume the preparation and implementation of projects that were postponed or cancelled without justification, and evaluate their cost-effectiveness,

Overview of audits whose approved audit reports were discussed by the Committee on Budgetary Control of the Chamber of Deputies of the Parliament of the Czech Republic in 2025						
Committee Resolution	Date of session	Session No	Audit report	Government Material No	Government Resolution (No/year)	Summary of the Committee's Resolution
226	12 June 2025	45	23/03	586/24	780/24	The CBC I. notes: a) AR No 23/03, b) the opinion of the MoD contained in Part IV of Government Material No 586/24, c) Government Resolution No 780/24; II. states that the MoD, based on the findings arising from audit report: a) did not allocate funds for radiation, chemical and biological protection in an effective and efficient manner, b) did not meet its planned targets for the procurement of key technology and equipment, c) investment management system for radiation, chemical, and biological protection lacks monitoring and evaluation components.
225	12 June 2025	45	23/15	681/24 328/25	783/24	The CBC notes: a) AR No 23/15, b) the opinion and measures of the MoC contained in Part IV of Government Material No 681/24, c) Government Resolution No 783/24, d) Information of the MoC on implementation of measures in response to the findings of the audit contained in Part II of Government Material No 328/25.
224	12 June 2025	45	23/07	150/25	187/25	The CBC notes: a) AR No 23/07, b) the opinion of the MoE contained in Part III of Government Material No 150/25, c) Government Resolution No 187/25.

Overview of audits whose approved audit reports were discussed by the Committee on Budgetary Control of the Chamber of Deputies of the Parliament of the Czech Republic in 2025						
Committee Resolution	Date of session	Session No	Audit report	Government Material No	Government Resolution (No/year)	Summary of the Committee's Resolution
221	15 May 2025	44	23/25	96/25	179/25	The CBC I. notes: a) AR No 23/25, b) the opinion of the MoLSA contained in Part IV of Government Material No 96/25, c) Government Resolution No 179/25; II. requests that the Minister of Labour and Social Affairs submit the following to the CBC by 31 August 2025: a) measures to resolve the legal dispute regarding the invalidity of the withdrawal from the contract for the IS DAV I project as well as the conclusion of the procurement procedure for the IS DAV II project, b) a proposed solution for replacing the unemployment system, including a target outcome, an implementation schedule, the amount of funding required and funding sources, c) how is cooperation with the primary registries ensured, and to what extent does this cooperation and data sharing extend to other departments, d) Approval documents from the Department of the eGovernment Chief Architect approval documents from the Department of the eGovernment Chief Architect for agent-based information systems of the Ministry of Labour and Social Affairs, the Czech Social Security Administration and the Labour Office of the Czech Republic, which have been under development since 2020. e) a proposed solution for replacing the pension payment support system, including a target outcome, an implementation schedule, and sources of funding; III. requests that the Director General of the Czech Labour Office submit, by 31 August 2025, to CBC a medium-term strategy for the development of operations and services, including capacity planning, an investment plan, and management of the branch network.
218	15 May 2025	44	22/27	301/24 78/25	449/24	The CBC notes: a) AR No 22/27, b) the opinion of the MoRD contained in Part IV of Government Material No 301/24, c) Government Resolution No 449/24, d) the information of the MoRD on the implementation of corrective measures pursuant to the Government Resolution No 449 dated 3 July 2024 regarding the AR contained in part II of Government Material No 78/25.
217	15 May 2025	44	22/21	834/23 383/24	880/23	The CBC notes: a) AR No 22/21, b) the opinion of the MoIT contained in Part IV of Government Material No 834/23, c) Government Resolution No 880/23, d) the information of the MoIT on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No 383/24.

Overview of audits whose approved audit reports were discussed by the Committee on Budgetary Control of the Chamber of Deputies of the Parliament of the Czech Republic in 2025

Committee Resolution	Date of session	Session No	Audit report	Government Material No	Government Resolution (No/year)	Summary of the Committee's Resolution
216	15 May 2025	44	22/07	821/23 401/24	879/23	The CBC notes: a) AR No 22/07, b) the opinion of the MoF contained in Part III of Government Material No 821/23, c) Government Resolution No 879/23, d) the information of the MoF on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No 401/24.
213	3 April 2025	43	22/22	893/23 320/24	882/23	The CBC notes: a) AR No 22/22, b) the opinion and measures of the MoC contained in Part IV of Government Material 893/23, c) Government Resolution No 882/23, d) the information of the MoC on the implementation of the measures in response to the findings of the audit contained in Part II of Government Material No 320/24.
212	3 April 2025	43	22/23	365/24	452/24	The CBC notes: a) AR No 22/23, b) the opinion of the MoF contained in Part III of Government Material No 365/24, c) Government Resolution No 452/24.
211	3 April 2025	43	23/01	314/24 1093/24	451/24	The CBC notes: a) AR No 23/01, b) the opinion of the MoF and MoE contained in Part III of Government Material No 314/24, c) Government Resolution No 451/24, d) the information of the MoF and MoE on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No 1093/24.
210	3 April 2025	43	22/18	173/24 811/24	209/24	The CBC notes: a) AR No 22/18, b) the opinion of the MoE contained in Part III of Government Material No 173/24, c) Government Resolution No 209/24, d) the information of the MoE on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No 811/24.
207	3 April 2025	43	22/19	45/24 861/24	199/24	The CBC notes: a) AR No 22/19, b) the opinion of the State Office for Nuclear Safety contained in Part IV of Government Material No 45/24, c) Government Resolution No 199/24, d) the information of the State Office for Nuclear Safety on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No 861/24.

Overview of audits whose approved audit reports were discussed by the Committee on Budgetary Control of the Chamber of Deputies of the Parliament of the Czech Republic in 2025						
Committee Resolution	Date of session	Session No	Audit report	Government Material No	Government Resolution (No/year)	Summary of the Committee's Resolution
205	20 March 2025	42	22/06	337/24 1119/24	448/24	The CBC notes: a) AR No 22/06, b) the opinion of the MoI and DIA contained in Part III of Government Material No 337/24, c) Government Resolution No 448/24, d) the information of the MoI and DIA on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No 1119/24.
204	20 March 2025	42	22/11	958/23 583/24	884/23	The CBC notes: a) AR No 22/11, b) the opinion of the MoD contained in Part IV of Government Material No 958/23, c) Government Resolution No 884/23, d) evaluation of MoD's measures ke KZ contained in Part II of Government Material No 583/24.
203	20 March 2025	42	22/08	174/24 771/24	210/24	The CBC notes: a) AR No 22/08, b) the opinion of the MoT and RMD, s.p. (state enterprise), contained in Part IV of Government Material No 174/24, c) Government Resolution No 210/24, d) the information of the MoT and RMD, s.p. (state enterprise), on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No 771/24.
202	20 March 2025	42	22/29	229/24 1069/24	450/24	The CBC notes: a) AR No 22/29, b) the opinion of the MoT and RMD, s.p. (state enterprise), contained in Part IV of Government Material No 229/24, c) Government Resolution No 450/24, d) the information of the MoT and RMD, s.p. (state enterprise), on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No 1069/24.
201	20 March 2025	42	22/01	774/23 414/24	876/23	The CBC notes: a) AR No 22/01, b) the opinion of the MoT, SFTI and and CENDIS s.p. (state enterprise), contained in Part IV of Government Material No 774/23, c) Government Resolution No 876/23, d) the information of the MoT, SFTI and CENDIS s.p. (state enterprise), o on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No 414/24.

Overview of audits whose approved audit reports were discussed by the Committee on Budgetary Control of the Chamber of Deputies of the Parliament of the Czech Republic in 2025						
Committee Resolution	Date of session	Session No	Audit report	Government Material No	Government Resolution (No/year)	Summary of the Committee's Resolution
197	6 February 2025	41	22/03	407/23 158/24	650/23	The CBC notes: a) AR No 22/03, b) the opinion of the CTO contained in Part IV of Government Material No 407/23, c) Government Resolution No 650/23, d) the information of the CTO on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No 158/24.
196	6 February 2025	41	22/28	221/24 907/24	203/24	The CBC notes: a) AR No 22/28, b) the opinion of the MoLSA contained in Part IV of Government Material No 221/24, c) Government Resolution No 203/24, d) report of the MoLSA on the implementation of the measures taken to remedy the shortcomings referred to in the AR contained in Part II of Government Material No. 907/24.
195	6 February 2025	41	22/30	71/24 846/24	200/24	The CBC notes: a) AR No 22/30, b) the opinion of the MoH contained in Part IV of Government Material No 71/24, c) Government Resolution No 200/24, d) information on the implementation of measures arising from the opinion on the audit report contained in part III of Government Material No 846/24.
194	6 February 2025	41	22/20	72/24 764/24	201/24	The CBC notes: a) AR No 22/20, b) report by the MoH contained in Part III of Government Material No 72/24, c) Government Resolution No 201/24, d) information of the MoH on the implementation of measures arising from the report of the Ministry of Health in response to the audit report contained in Part II of Government Material I No 764/24.
193	6 February 2025	41	22/13	75/24 780/24	202/24	The CBC notes: a) AR No 22/13, b) the opinion of the MoH contained in Part III of Government Material No 75/24, c) Government Resolution No 202/24, d) the information of the MoH on the implementation of measures arising from the opinion on the audit report contained in part III of Government Material No 780/24.

Annex 4: Overview of audits whose approved audit reports were discussed by the Government of the Czech Republic in 2025

Overview of audits whose approved audit reports were discussed by the Government of the Czech Republic in 2025						
Government Resolution No	Date of meeting	Government Material No	Audit No	Auditee informed the SAO about measures	Government-imposed measures	Date of measure
986	10 December 2025	1033/25	24/17	No	The Government instructs: 1. the Chairman of the Czech Science Foundation and the Chairman of the Technology Agency of the Czech Republic to implement the measures contained in the opinion referred to in Part III of material No 1033/25, 2. the Minister for Research, Development and Innovation, and the Chairman of the Council for Research, Development and Innovation to inform the Government of the implementation of the measures within six months of the adoption of the Resolution.	10 June 2026
985	10 December 2025	1010/25	24/12	No	The Government instructs the Minister of Defence: 1. to implement the measures contained in the opinion referred to in Part IV of material No 1010/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	10 June 2026
984	10 December 2025	975/25	24/11	No	The Government instructs the Minister of Transport: 1. to implement the measures contained in the opinion referred to in Part IV of material No 975/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	10 June 2026
983	10 December 2025	960/25	24/14	No	The Government instructs the Minister of Finance, the Deputy Prime Minister, and the Minister of Labour and Social Affairs: 1. to implement the measures contained in the opinion referred to in Part III of material No 960/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	10 June 2026
982	10 December 2025	928/25	24/06	No	The Government instructs the Minister of Environment: 1. to implement the measures contained in the opinion referred to in Part III of material No 928/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	10 June 2026
981	10 December 2025	1035/25	23/28	No	The Government instructs the Minister of Industry and Trade: 1. to implement the measures contained in the opinion referred to in Part IV of material No 1035/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	10 June 2026
980	10 December 2025	942/25	24/23	No	Without instruction.	-
979	10 December 2025	921/25	24/15	No	The Government instructs: 1. the Chairman of the ERO to implement the measures contained in the opinion referred to in Part IV of material No 921/25, 2. the Chairman of the ERO, via the Minister of Industry and Trade, to inform the Government of the implementation of the measures within six months of the adoption of the Resolution.	10 June 2026

Overview of audits whose approved audit reports were discussed by the Government of the Czech Republic in 2025						
Government Resolution No	Date of meeting	Government Material No	Audit No	Auditee informed the SAO about measures	Government-imposed measures	Date of measure
978	10 December 2025	1039/25	24/09	No	The Government instructs the Deputy Prime Minister and the Minister of Health: 1. to implement the measures contained in the opinion referred to in Part IV of material No 1039/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	10 June 2026
977	10 December 2025	885/25	24/19	No	The Government instructs the Deputy Prime Minister and the Minister of Labour and Social Affairs: 1. to implement the measures contained in the opinion referred to in Part IV of material No 885/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	10 June 2026
976	10 December 2025	910/25	24/04	No	The Government instructs the 1st Deputy Prime Minister, the Minister of Interior, and the Minister of Regional Development: 1. to implement the measures contained in the opinion referred to in Part III of material No 910/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	10 June 2026
821	22 October 2025	T119/2025	24/02	No	The Government instructs the 1st Deputy Prime Minister, the Minister of Interior, and through him also the Director General of the Office for Foreign Relations and Information: 1. to implement the measures contained in the opinion referred to in Part IV of material No T119/2025-UVCR, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	22 April 2026
805	22 October 2025	821/25	24/13	No	The Government instructs the Minister of Education, Youth and Sports: 1. to implement the measures contained in the opinion referred to in Part III of material No 821/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	22 April 2026
804	22 October 2025	804/25	23/31	No	The Government instructs the Minister of Agriculture: 1. to implement the measures contained in the opinion referred to in Part III of material No 804/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	22 April 2026
803	22 October 2025	681/25	24/20	No	Without instruction.	-
802	22 October 2025	653/25	24/10	No	The Government instructs the Minister of Regional Development: 1. to implement the measures contained in the opinion referred to in Part IV of material No 653/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	22 April 2026
801	22 October 2025	640/25	24/01	No	The Government instructs the Minister of Transport and the Minister of Regional Development: a) to implement the measures contained in the opinion referred to in Part IV of material No 640/25, b) to inform the Government of their implementation within six months of the adoption of the Resolution.	22 April 2026
488	2 July 2025	238/25	23/27	No	Without instruction.	-

Overview of audits whose approved audit reports were discussed by the Government of the Czech Republic in 2025						
Government Resolution No	Date of meeting	Government Material No	Audit No	Auditee informed the SAO about measures	Government-imposed measures	Date of measure
487	2 July 2025	468/25	24/05	No	The Government instructs the Minister of Regional Development: 1. to implement the measures contained in the opinion referred to in Part IV of material No 468/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	2 January 2026
486	2 July 2025	437/25	23/14	No	The Government instructs the Minister of Regional Development: 1. to implement the measures contained in the opinion referred to in Part IV of material No 437/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	2 January 2026
485	2 July 2025	417/25	23/16	No	The Government instructs the Minister of Industry and Trade: 1. to take into account the conclusions of the SAO when preparing future brownfield support programmes, 2. to minimise the amount of compensation paid to financial intermediaries by continuously adjusting the allocation based on actual market demand, 3. to inform the Government of their implementation within six months of the adoption of the Resolution.	2 January 2026
484	2 July 2025	401/25	24/03	No	The Government instructs the Minister of Culture and the Minister of Education, Youth and Sports: 1. to implement the measures contained in the opinion referred to in Part IV of material No 401/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	2 January 2026
483	2 July 2025	254/25	23/26	No	The Government instructs the Minister of Transport: 1. to implement the measures contained in the opinion referred to in Part IV of material No 254/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	2 January 2026
482	2 July 2025	232/25	23/30	No	The Government instructs the Minister of Defence: 1. to implement the measures contained in the opinion referred to in Part IV of material No 232/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	2 January 2026
481	2 July 2025	319/25	23/11	No	The Government instructs: 1. the Deputy Prime Minister and the Minister of Labour and Social Affairs: a) to implement the measures contained in the opinion referred to in Part IV of material No 319/25, b) to inform the Government of their implementation within twelve months of the adoption of the Resolution; 2. the Minister of Education, Youth and Sports: a) to implement the measures contained in the opinion referred to in Part V of material No 319/25, b) to inform the Government of their implementation within twelve months of the adoption of the Resolution.	2 July 2026
480	2 July 2025	228/25	23/29	No	The Government instructs: 1. the Deputy Prime Minister and the Minister of Labour and Social Affairs: a) to implement the measures contained in the opinion referred to in Part IV of material No 228/25, b) to inform the Government of their implementation within six months of the adoption of the Resolution; 2. the Minister for Regional Development: a) to implement the measures contained in the opinion referred to in Part V of material No 228/25, b) to inform the Government of their implementation within six months of the adoption of the Resolution.	2 January 2026

Overview of audits whose approved audit reports were discussed by the Government of the Czech Republic in 2025						
Government Resolution No	Date of meeting	Government Material No	Audit No	Auditee informed the SAO about measures	Government-imposed measures	Date of measure
479	2 July 2025	511/25	23/05	No	The Government instructs the Director of the Digital and Information Agency, the Chairman of the Czech Statistical Office, the 1 st Deputy Prime Minister and the Minister of the Interior: 1. to implement the measures contained in the opinion referred to in Part III of material No 511/25, 2. to inform the Government of their implementation within twelve months of the adoption of the Resolution. The Government recommends that the Chairman of the Czech Office for Surveying, Mapping and Cadastre (COSMC) provide the necessary cooperation.	2 July 2026
478	2 July 2025	441/25	23/10	No	The Government instructs the 1 st Deputy Prime Minister and the Minister of the Interior: 1. to implement the measures contained in the opinion referred to in Part IV of material No 441/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	2 January 2026
187	19 March 2025	150/25	23/07	No	Without instruction.	-
186	19 March 2025	59/25	23/18	No	The Government instructs the Chairman of the Technology Agency of the Czech Republic: 1. to implement the measures contained in the opinion referred to in Part III of material No 59/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	19 September 2025
185	19 March 2025	28/25	23/13	No	The Government instructs the Minister of Transport: 1. to implement the measures contained in the opinion referred to in Part IV of material No 28/25, 2. to inform the Government of their implementation within twelve months of the adoption of the Resolution.	19 March 2026
184	19 March 2025	1032/24	23/20	No	The Government instructs the Minister of Regional Development: 1. to implement the measures contained in the opinion referred to in Part IV of material No 1032/24, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	19 September 2025
183	19 March 2025	147/25	23/23	No	The Government instructs the Minister of Finance: 1. to implement the measures contained in the opinion referred to in Part III of material No 147/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	19 September 2025
182	19 March 2025	903/24	23/09	No	Without instruction.	-
181	19 March 2025	898/24	23/04	No	The Government instructs the Minister of Education, Youth and Sports and the Chairman of National Sports Agency: 1. to implement the measures contained in the opinion referred to in in Part III of material No 898/24, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	19 September 2025
180	19 March 2025	87/25	23/22	No	The Government instructs the Deputy Prime Minister and the Minister of Health and the Minister of Labour and Social Affairs: 1. to implement the measures contained in the opinions referred to in Part IV and V of material No 87/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	19 September 2025
179	19 March 2025	96/25	23/25	No	The Government instructs the Deputy Prime Minister and the Minister of Labour and Social Affairs: 1. to implement the measures contained in the opinion referred to in in Part IV of material No 96/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	19 September 2025

Overview of audits whose approved audit reports were discussed by the Government of the Czech Republic in 2025						
Government Resolution No	Date of meeting	Government Material No	Audit No	Auditee informed the SAO about measures	Government-imposed measures	Date of measure
178	19 March 2025	79/25	23/21	No	The Government instructs the Deputy Prime Minister and the Minister of Labour and Social Affairs: 1. to implement the measures contained in the opinion referred to in in Part IV of material No 79/25, 2. to inform the Government of their implementation within six months of the adoption of the Resolution.	19 September 2025

Annex 5: Sources of information for all infographic sheets

Public finances

OECD Employment Outlook for 2025.

Source: OECD Outlook for 2025, dated 9 July 2025, available at: https://www.oecd.org/en/publications/oecd-employment-outlook-2025_194a947b-en.html.

State closing accounts for the years 2021–2024.

Source: Ministry of Finance, available at: <https://www.mfcr.cz/cs/ministerstvo/media/tiskove-zpravy/2026/pokladni-plneni-sr-62373>.

Digitalisation and efficient public administration

Interactive data visualisation – Audit No 24/07.

Source: SAO, available at: <https://www.nku.cz/scripts/detail.php?id=14748>.

The Second Comprehensive Report on the Digitalisation of Public Administration in the Czech Republic.

Source: SAO, available at: <https://nku.gov.cz/scripts/detail.php?id=15299>.

Research, development and innovation

Summary Innovation Index.

Source: European Innovation Scoreboard 2025, available at: https://research-and-innovation.ec.europa.eu/statistics/performance-indicators/european-innovation-scoreboard_en.

Internal security and defence

National security policy. SAO's Summary Report on Internal Security for the Period 2018–2024.

Source: SAO, available at: <https://www.nku.cz/cz/publikace-a-dokumenty/ostatni-publikace/bezpecnost-ni-politika-statu---souhrnna-zprava-nku-z-oblasti-vnitri-bezpecnosti-id15237/>.

Report on the questionnaire for Audit No 22/12.

Source: SAO, available at: <https://infogram.com/1p9g2q3jynlw72f72mdqe37yrwf3vlqjkzn?live>.

Transport

Register of rest areas in Poland.

Source: Generalna Dyrekcja Dróg Krajowych i Autostrad, available at: <https://www.gov.pl/web/gddkia/wykaz-parkingow-i-mop> and <https://www.gov.pl/web/gddkia>.

Length of the motorway network in the Czech Republic. Source: RMD, available at: <https://www.rmd.cz/>.

Education and sport:

PISA comparison 2003–2022.

Source: CSI, available at: https://www.csicr.cz/CSICR/media/Prilohy/2005_p%c5%99%c3%adlohy/Mezin%c3%A1rodn%c3%ad%20%c5%A1et%c5%99en%c3%ad/uceni-pro-zitrek-publikace.pdf and: https://www.csicr.cz/CSICR/media/Prilohy/2023_p%C5%99%C3%ADlohy/Mezin%C3%A1rodn%C3%AD%20%C5%A1et%C5%99en%C3%AD/PISA_2022_e-verze-9.pdf

PISA scores.

Source: World Population Review, available at: <https://worldpopulationreview.com/country-rankings/pisa-scores-by-country>.

Environment

Europe's Environment 2025 (EEA).

Source: European Environment Agency, available at: <https://www.eea.europa.eu/en/europe-environment-2025>.

Agriculture

*National Forestry Policy Framework to 2035.**

Source: policy framework, available at: https://www.silvarium.cz/sklad/Koncepce_2035.pdf.

LIST OF ABBREVIATIONS

AC	Audit Committee of the Chamber of Deputies of the Parliament of the Czech Republic
AE	audited entity
AR	audit report
BIA	Business and Innovation Agency
BIEP	Benchmarking Information Exchange Project
CA CR	Customs Administration of the Czech Republic
CAF	Czech Armed Forces
CAS	Czech Academy of Sciences
CDP CR	Chamber of Deputies of the Parliament of the Czech Republic
CENDIS	CENDIS, s.p. (<i>state enterprise</i>), Transport Information Systems Centre
CIT	corporate income tax
CNB	Czech National Bank
CR	Czech Republic
CRD	Centre for Regional Development
CSF	Czech Science Foundation
CSI	Czech School Inspectorate
CSO	Czech Statistical Office
CSSA	Czech Social Security Administration
CTO	Czech Telecommunication Office
Czech DPA	Data Protection Authority
DESI	Digital Economy and Society Index
Development and Renewal Programme	<i>Development and Renewal of the Material and Technical Base of University Hospitals</i>
DIA	Digital and Information Agency
DTM	digital technical maps
EC	European Commission
ECA	European Court of Auditors
EIS	European Innovation Scoreboard
EPPO	European Public Prosecutor's Office
ERA	<i>European Research Area</i>
eSeL	<i>the Electronic Collection of Laws and International Treaties (e-Collection) and Electronic Legislation (e-Legislation) project</i>
ETCS	European Train Control System
EU	European Union
EU Report	Report on the financial management of European Union funds in the Czech Republic
EUROCONTROL	European Organisation for the Safety of Air Navigation
EUROSAI	European Organisation of Supreme Audit Institutions
FA CR	Financial Administration of the Czech Republic
FA	financial audit
Faculty of Arts	Faculty of Arts of Charles University
FM	financial mechanisms (<i>the Swiss-Czech Cooperation Programme</i> and the European Economic Area and Norway Grants)
FP	fire protection
GDC	General Directorate of Customs
GDP	gross domestic product
GFD	General Financial Directorate
ICS	internal control system
ICT	information and communications technology
IDI	INTOSAI Development Initiative
INCOSAI	Congress of the International Organisation of Supreme Audit Institutions
Information Act	Act No 106/1999 Coll., on Free Access to information
INTOSAI	International Organisation of Supreme Audit Institutions

IROP 2021–2027	<i>Integrated Regional Operational Programme 2021–2027</i>
IROP	<i>Integrated Regional Operational Programme 2014–2020</i>
IS	information system
ITWG	EUROSAI Working Group on Information Technologies
JCS	joint communication strategy
KSC	INTOSAI Knowledge Sharing Committee
LO CR	Labour Office of the Czech Republic
MF	Modernisation Fund
MFF	Multiannual Financial Framework
MoA	Ministry of Agriculture
MoC	Ministry of Culture
MoD	Ministry of Defence
MoE	Ministry of the Environment
MoEYS	Ministry of Education, Youth and Sports
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoH	Ministry of Health
MoI	Ministry of the Interior
MoI PHIC	Health Insurance Company of the Ministry of the Interior of the Czech Republic
MoIT	Ministry of Industry and Trade
MoJ	Ministry of Justice
MoLSA	Ministry of Labour and Social Affairs
MoRD	Ministry of Regional Development
MoT	Ministry of Transport
NATO	North Atlantic Treaty Organization
NBC	National Budget Council
NGEU	EU Recovery Fund (<i>NextGenerationEU</i>)
NPI	National Pedagogical Institute of the Czech Republic
NRP	National Recovery Plan
NSA	National Sports Agency
NUKIB	National Cyber and Information Security Agency
OECD	Organisation for Economic Co-operation and Development
OHS	occupational health and safety
OP EIC	Operational Programme <i>Enterprise and Innovation for Competitiveness</i>
OP JAK	Operational Programme <i>Jan Amos Komenský</i>
OP	operational programme
OP RDE	Operational Programme <i>Research, Development and Education</i>
OPEm	Operational Programme <i>Employment 2014–2020</i>
OPEm+	Operational Programme <i>Employment Plus 2021–2027</i>
OPTA	Operational Programme <i>Technical Assistance</i>
Partnership Agreement	<i>Partnership Agreement for the Programming Period 2014–2020</i>
PIT	personal income tax
P-RAP	Project: <i>Support for Regional Action Planning</i>
PVPP	photovoltaic power plant
RDI	research, development and innovation
RDP	Rural Development Programme
RES	renewable energy sources
RMD	Road and Motorway Directorate of the Czech Republic
SAI	Supreme Audit Institution
SAO Act	Act No 166/1993 Coll., on the Supreme Audit Office
SAO President	President of the SAO
SAO	Supreme Audit Office
SCA	state closing account
SEF	State Environmental Fund
SEP	a self-employed person

SFTI	State Fund for Transport Infrastructure
SIDC	State Institute for Drug Control
SLIO	State Labour Inspection Office
SLO	State Land Office
SMS	short message service
STIIS	<i>State Treasury Integrated Information System</i>
STP	soft targets protection
SÚJB	State Office for Nuclear Safety
TACR	Technology Agency of the Czech Republic
UH	university hospital
USD	United States dollar
VAT	value added tax
VŠE	Prague University of Economics and Business
WFT	windfall tax
WGEA	EUROSAI Working Group on Environmental Auditing
WGEPPP	INTOSAI Working Group on the Evaluation of Public Policies and Programmes
WGITA	INTOSAI Working Group on IT Audit