



- Scanning Process**
- Preliminary Processing**
- Arithmetic and logical**
- Full Audit**



Problems that will be treated

- Legal background of arithmetic and logical checking and the prevention of conflicts of interest.
- Definition.
- Outcome.

Legal background

LAW No. 9049 dated 10 April 2003

“On the declaration and audit of assets, financial obligations of elected persons and certain public officials”.

LAW No. 9367 dated 7 April 2005.

“On the prevention of conflicts of interests in the exercise of public functions”



Types of Inspection

- ❑ Preliminary Processing (article 25 of law no.9049)
- ❑ Arithmetic and Logical Checking (article 25 of law no.9049)
- ❑ Verification and Approval of the data of the declaration form or full audit (article 25 of law no.9049 and article 17 of law no.9367)

3. Scanning Process

- ❖ **Every declaration form submitted at HIDAA, is scanned;**
- ❖ **The scanned declaration forms are saved in PDF format;**
- ❖ **Code of naming a scanned declaration form,consists in:**
 - Hypothetical index number, xxxxx
 - To determine either the form belongs to an official or to a related person (D-declarant, F-related person);
 - Year of declaration, 03,04,05,....etc
 - Type of declaration marked with numbers 1,2,3,4 that define:



Preliminary Processing

- Includes the jurisdiction, the regularity of completion of the declaration and annexes, the justifying documents and their legality.
- When material mistakes or mistaken responses are found in the preliminary processing, the subject is notified, who within 15 days from receiving notification is obliged to correct them.
- After correct them the declaration form send to rescanning.



Arithmetic and Logical Checking

It is done for every declaration in order to determine the accuracy of the valuation of the assets declared, the accuracy of the financial sources declared and the sufficiency of the coverage of the assets with the declared sources, as well as cases of conflicts of interest.



DEFINITION

- ❖ Audit to determine the accuracy of the evaluation of the assets declared.
- ❖ Audit to determine the accuracy of the financial sources declared in the form.
- ❖ Audit to determine the sufficiency of coverage of the assets with the declared sources.
- ❖ Audit to identify the conflicts of interest.



Specifications of the Arithmetic and Logical Checking and Conflicts of Interest

- ❖ It is performed for all the declaration forms.
- ❖ The public official is not present when this checking is performed.
- ❖ It follows the preliminary processing.
- ❖ It is based in the arithmetic and logical methods of the audit.



Outcome

- ❖ The declaration form is correct/with no problems.
- ❖ There is a logical discrepancy.
- ❖ There is an arithmetic discrepancy.
- ❖ There is a conflict of interest.



The declaration form is correct

From the logical point of view the declaration form is correct, it undergoes the full audit:

- In conformity with the legal time periods defined in article 17, point 2 of law 9367.
- In conformity with article 17, point 3 of law 9367, random selection



There is logical discrepancy.

- ❖ In cases of a logical discrepancy between the assets declared as a physical unit and their financial value.
- ❖ In cases of a logical discrepancy between declared financial values and the source of the creation of assets.



Arithmetical discrepancy

- ❖ The declared financial sources do not cover or do not justify the assets of the declarant.

How to reach to a conclusion?

- ❖ In cases of discrepancy resulting from the arithmetic and logical checking, in conformity with article 17, point 5 of law no.9367, the declaration form undergoes:

**FULL
AUDIT**



In cases of conflicts of interest

- ❖ The public official is notified in advance and a certain period of time is provided for him in order to solve the conflicts of interest according to law no.9367 (Ways of treating and solving conflicts of interest)



Full Audit

Officials who undergo the Full Audit

Article 17 of the law no.9367 defines the standards upon which the officials undergo the Full Audit.

1. Because of the function (article 17 point 2).

2. Because of the random selection (art. 17 p. 3).

3. With problems from the ALC (art. 17 p. 5).

4. From other lawful sources (art. 17 p. 5).



Thank You !