

REPUBLIC OF ALBANIA

PEOPLE'S ASSEMBLY

LAW "ON THE STATE SUPREME AUDIT INSTITUTION" no. 8270, Date 23.12. 1997

(Amended by the law No. 8599, date 01.06.2000,
on some changes and amendments to law No. 8270, date 23.12.1997
"On the State Supreme Audit Institution" and the Decision of the
Constitutional Court No.212, date 29.10.2002)

THE PEOPLE'S ASSEMBLY OF THE REPUBLIC OF ALBANIA

DECIDED:

Chapter -I-

GENERAL PROVISIONS

Article 1

This act governs the objective, duties, organizations and powers of the State Supreme Audit of the Republic of Albania (down State Supreme Audit Institution).

The State Supreme Audit Institution is the highest Institution of economic and financial control of the Republic of Albania.

The State Supreme Audit shall be non-political and shall not support or be associated with any political party.

In exercising its competencies it is subordinated only to the Constitution and Law.

Article 2

The State Supreme Audit, in accordance with legislation and the international auditing standards of INTOSAI may audit the management of the state property and the implementation of the state budget of the entities defined in this law.

The audit covers the areas of legality, regularity, financial management and performance.

Article 3

The financial sources of the State Supreme Audit Institution shall be provided from the State Budget where the state Supreme Audit Institution shall have a separate budget chapter.

The draft budget shall be proposed by the State Supreme Audit Institution to the Economic, Financial and Privatization Committee and the latter presents it for approval to the People's Assembly in accordance with the budget law.

The State Supreme Audit Institution shall prepare its accounts annually in accordance with the budget law. The accounts shall be audited by an independent body appointed by and reporting to the People's Assembly.

Article 4

The State supreme Audit Institution may co-operate with other SAI-s and international and regional professional organizations in forms suitable for the audit course.

Article 5

Any actions or complaint concerning of legality of the actions or decisions of the State Supreme Audit Institution and other state (public) institutions shall be heard by the Appeal Court.

Chapter -II-

OBJECTIVES

Article 6

The main objectives of the State Supreme Audit Institution are the proper and effective use of the public funds, the development of the sound financial management, and the audit of orderly execution of administrative activities.

The objective is also to communicate and give information to the public authorities and the public through the publication of the objective reports. The auditee shall always have the opportunity to give comments on a draft reports before its publication. Their comments shall be reflected in the final reports.

Chapter -III-

DUTIES

Article 7

The State Supreme Audit Institution, in accordance with its competencies in this law shall audit:

- a- the economic and financial activity of the state institutions and other juridical state individuals;
- b- the use and protection of the state funds by the organs of central and local government;
- c- the economic activity of juridical persons, in which the State owns more than the half of the parts or the shares, or when the loans, credits and their obligations are guaranteed by the State;
- d- Political parties and organizations for the funds given to them by the State Budget;
- e- Government Internal Audit bodies;
- f- Other entities defined by particular laws.

Article 8

The State Supreme Audit Institution shall publish an Institutional Bulletin on a regular basis. The Institutional Bulletin shall be made public and in particular shall contain:

- the final audit reports;
- other audit conclusions and recommendations of general importance;
- rules and procedures of the State Supreme Audit Institution;

- the State Supreme Audit Institution' own accounts, including the opinion of the auditors on them.

Article 9

The State Supreme Audit Institutions may make recommendations concerning management and internal control.

State supreme Audit Institution gives its opinions and makes proposals regarding to the improvement of legislation in areas within its areas of activity.

If the State Supreme Audit Institution during the course of audit, finds out that a law or a by-law is in contrary to basic legislation, it may ask the body that has enacted for amendment or invalidation. If the body does not amend or abrogate the law or by-law within two months from the date of request, then State Supreme Audit Institution may refer to the competent authorities determined in accordance with the law.

Chapter -IV-

ORGANIZATION, STRUCTURE AND POWERS.

Article 10

The State Supreme Audit has its headquarters in Tirana. It may decide to have departments in regions that are subordinated to the headquarters.

Each department shall be governed by a director. The directors shall be appointed by the Chairman.

The State Supreme Audit has its own seal which presents the state emblem of the Republic of Albania and its name.

Article 11

- The State Supreme Audit shall be governed by the Chairman.
- The Chairman of the State Supreme Audit is appointed and dismissed by the Assembly upon the proposal of the President of Republic. His mandate lasts for 7 years, with the right of reelection.
- the Chairman of State Supreme Audit shall be Albanian citizen, university graduated in finance, and he should have not less than 10 years of experience in profession. He shall be a respected person and he shall have never been sentenced for a crime by the final court decision.

- The salary of the Chairman of the State Supreme Audit should be equal to the salary of the Chairman of the High Court.

Article 12

The Chairman of the State Supreme Audit has the power to decide on:

- The structure and the appointment of the personal employed by State Supreme Audit;
- The powers and the duties of the directors and organization units;
- The salary structure and reward of staff;
- The annual audit plan;
- The audit standards;
- The bulletin;
- The materials to be sent at the prosecution;
- Cases to be sent to the Court.
- Other cases which the Chairman finds necessary or which are specified by law.

The State Supreme Audit Institution in its external relations shall be represented by the Chairman or persons authorized by him.

Article 13

The duty of the Chairman, of directors and auditors in headquarters and regions are incompatible with:

- Duties with or without remuneration in the public and private entity or non-profit organizations with the exception of teaching, publishing and cultural activities;
- Membership of the Deputy;
- Membership of government or another political party;
- Kin relationship up to two generations among the chairman and vice-chairmen;

Before the Chairman of the State Supreme Audit takes office, he shall take an oath before the People's Assembly.

The oath is: " I swear, that during the performance of my duties, I will be always devoted to the Constitution and law of Albania Republic."

Article 14

The Chairman of the State Supreme Audit shall enjoy the same immunity as the High Court member.

The Chairman of the State Supreme Institution might be detained or arrested only if he is caught during the commitment of a crime or once after its performance. The power authority gives immediately notice to the Constitution Court. When the Constitution Court does not give its approval to send the Chairman to the Court within 24 hours, that authority is obliged to release him.

Article 15

The State Supreme Audit Institution may contract temporary expertise. Such expertise have the same rights and responsibilities as the staff of the State Supreme Audit Institution.

Article 16

The State Supreme Audit Institution has the power to:

- request to take appropriate remedy actions in accordance with audit recommendations;
- request from the audited entities or from the higher level authorities to take measures and disciplinary actions in accordance with the relevant laws towards people that have caused direct and indirect damages;
- be informed about the requests made conform to the preceding paragraph, from the audited entities 20 days from the request's receiving date;
- take measures in accordance with the procurements regulations, when there are infringed the procurements procedures;
- refer cases to the relevant court.

Chapter –V-

ACCESS TO INFORMATION

Article 17

All information that State Supreme Audit Institution deems necessary for carrying out its tasks shall be sent to or presented by the officials of the audit to the authorized representative of the authorized representative of the State Supreme Audit Institution.

When needed the State Supreme Audit Institution has the right to:

- a. address question orally or in writing to the audit subjects or their officials, who are required to answer such question orally or in writing as required by the State Supreme audit Institution, such answers to be given within one week.
- b. obtain access to working facilities and premises in accordance with this law.
- c. get accounting documentation with respect to financial and materials values, financial statement and all relevant documentation of economic and financial activity as well as regularity of expenditures from the audit subjects mentioned in Article 6.
- d. obtain data for the subjects to be audited in accordance with this law, from the Bank of Albania and other second level and joint ventures banks as soon as possible, but within one week.

In the course of an audit the State Supreme Audit Institution may, according to Article 6 paragraph 2, send audit observation to the auditee. The latter is bound to give their written explanation within one month.

Chapter –VI-

AUDIT REPORTS

Article 18

1. The State Supreme Audit submits to the Assembly:
 - a) An annual report with its opinion on the final budgetary statement of the Republic of Albania, including the audit conclusion.
The annual report shall be submitted to the Assembly in accordance with the Law No. 8379, dated 29.07.1998 “For the compilation and execution of the state budget of the Republic of Albania”.
The annual report is published in the Bulletin.
 - b) Its opinions on the Council of Minister’s report for the expenditures of the previous financial year, before it is approved by the Assembly.
 - c) Information for audits results any time it is asked by the Assembly.

The State supreme Audit present to the Assembly a yearly report on its activities within the first three-month of next year.

The Chairman of State Supreme Audit informs the Assembly at any time of any matter that the Chairman thinks of interest.

Article 19

The Chairman of State Supreme Audit Institution may be invited to participate and to speak to Council of Ministers meetings when debate questions linked with its functions.

The State Supreme Audit Institution shall present to the Council of Ministers and other authorities, when he judges necessary and in the interest of the state and public at large, reports, surveys and other material relating to the Council of Ministers and other government ministries and central institutions.

Chapter –VII-

STATUS OF THE STAFF AND DISCIPLINARY ACTIONS

Article 20

Employees of the State Supreme audit shall not be member of any organization or political parties, nor shall they engage in activities of a private business or commercial character.

Employees of the State Supreme Audit shall discharge their duties in a professional manner and in accordance with the Audit Standards and Ethic Rules.

The administration of civil service to the State Supreme Audit, promotion, lateral transfer, evaluation, transfer, removal from office, suspension and disciplinary measures shall be taken in accordance with the Law No. 8549, dated 11.11.1999, of “Status of Civil Servant”.

Chapter –VIII-

STATE AND TRADE SECRECY

Article 21

The State Supreme Audit Institution shall in its work take in due consideration of state and trade secrecy.

The auditors of State Supreme Audit Institution are recognized with relevant personal identification card issued by the Chairman.

The Audit Standards issued by the State Supreme Audit Institution are compulsory for government internal audit bodies.

Article 22

The activities that are classified as state secrecy of high level based on relevant legislation shall be made by the auditors authorized by the Chairman and the reports of audit findings shall be made by the Chairman to the Permanent Commission of Economy, Finance and Privatization of the Assembly.

Chapter –IX-

FINAL PROVISION

Article 23

The Law No. 7597, dated 31.08.1992 “On the State Control Service”, amended with the Law No. 7949, dated 14.06.1995 as well as the Law No. 8236, dated 28.08.1997, and other provisions which come in contrary to this Law are invalidated.

The Law No.7802, dated 02.03.1994, “On the remuneration of the Chairman and Vice-Chairman of the State Supreme Audit Institution”, amended with the Law No.8037, dated 22.11.1995, is invalidated.

Article 24

This Law shall become effective 15 days after its publication in the Official Gazette.

HEAD OF ASSEMBLY

Skender GJINUSHI

Promulgated with the Decree No. 2647, dated 08.06.2000, of the President of Republic, Mr. Rexhep Meidani.