

Secretariat of the General People's Congress
Decree No. (184) of 1374 FDP (2006 AD)
on the rules of procedure of the Financial Audit Authority

The Secretariat of the General People's Congress,

Upon review of:

- The Declaration on the Establishment of the Authority of the People;
- The Great Green Charter of Human Rights in the Jamahiriyan Era;
- Law No. (1) of 1369 FDP on the People's Congresses and the People's Committees, and the implementing regulations thereof;
- The Commercial Code;
- The Law of the Financial System of the State, and the budget, accounts, and stores regulations;
- Law No. (11) of 1425 AD reorganising the People's Oversight and amendments thereto;
- General People's Congress Decree No. (5) of 1374 FDP on establishing the Financial Audit Authority;
- General People's Congress Decree No. (6) of 1374 FDP on reorganising the General People's Committee for the People's Oversight and Inspection;
- The submission of the Secretary of the Financial Audit Authority;
- The minutes of the meeting of the Secretariat of the General People's Congress No. (18) of 1374 FDP;

has decreed:

Article (1)

The Financial Audit Authority shall hold competence to inspect and audit the State's balance sheet for the fiscal year ended and prepare an annual report thereon setting out the observations and recommendations the Authority deems appropriate and any discrepancies between it and the various bodies.

The Authority Secretary shall submit this report to the Basic People's Congresses through the Secretariat of the General People's Congress, with a copy thereof to the General People's Committee for People's Oversight and Inspection and the General People's Committee for Finance, no later than four months following the Authority's receipt of the balance sheet from the General People's Committee for Finance.

Similar reports may be submitted as needed on matters the Authority deems important or serious and requiring prompt review.

The General People's Committee for Finance shall submit the State's balance sheet to the Authority within a period not more than six months from the end of the fiscal year.

Article (2)

- a. When auditing State revenue, the Financial Audit Authority shall be concerned with the following:
 1. Confirm the soundness of the internal oversight system for revenue.
 2. Control the collection of revenue and confirm that all amounts collected were provided to the public treasury and entered into the accounts allocated therefor.
 3. Verify that all financial laws and implementing regulations thereof were observed and applied correctly, directing attention to any apparent shortcomings or flaws therein.
- b. The Financial Audit Authority shall establish the following in particular:
 1. That revenue provision slips, the documents representing them, and records were reviewed by the competent employees and that the amounts stated therein were correctly added to the public revenue.
 2. Revenue and arrears statements submitted by the public authorities clearly indicate that the revenues collected plus the arrears amounts not yet collected equal all of the revenue due to the state pursuant to the laws and regulations in force, and that the authorities were not negligent or late in collecting such arrears.
 3. No exemptions from tax, profit, or the payment of any other monies due occurred, other than the funds set out under the laws and with the approval of the legally competent bodies.
 4. Taxes, fees, and all other public revenue was collected in accordance with the law.

Article (3)

With regard to expenditures, the Financial Audit Authority shall hold competence to perform the following:

- a. Confirm the soundness of the internal oversight system for expenditures.
- b. The Financial Audit Authority shall establish the following in particular:
 1. The amounts that were disbursed for each budget item are fully consistent with the numbers listed in the relevant documents.
 2. All disbursement receipts were correctly issued and within the bounds of the relevant authorisations, were issued by the competent bodies in accordance with the laws and regulations, and accompanied by the required papers and receipts.
 3. All expenditures were deducted from the budget section and item allocated for this type of expenditure and the amounts were actually allocated to achieve the intended purpose.
 4. All amounts disbursed for new works or the transformation plan were disbursed in the manner for which such amounts were allocated, and were not disbursed for any work not entered into the budget without the approval of the competent bodies.

Article (4)

When auditing revenues and expenditures, the Financial Audit Authority shall confirm the following:

1. Separation of revenue and expenditure accounts and that disbursements are made by check except in cases of necessity where the disbursement is made from petty cash.
2. Confirm monthly reconciliation of bank accounts and conformity with the books.

3. Periodically confirm reconciliation of petty cash and advances, and the necessary reconciliation of all petty cash and advances at the end of the fiscal year.
4. Periodic inventory of treasury and bank accounts.
5. Confirm the integrity and efficiency of financial regulations and document cycles and completion of entry and evidentiary records.
6. Verify the necessary evidence and the availability thereof.

Article (5)

In exercising the competencies set out in this Decree, the Financial Audit Authority shall examine and audit accounts and their supporting documentation and assess the performance efficiency of the bodies subject to Authority oversight, in accordance with recognised technical and accounting rules, within the scope of the rules governing the activity of each body and in accordance with the provisions and controls established by the Secretariat of the General People's Congress.

It may exercise these competencies at the Authority's headquarters or branches thereof or on the premises of such bodies, which shall submit their accounts thereto at its request. It shall also have the right to communicate directly and correspond with account directors, controllers, supervisors and the competent employees acting in their place at said bodies and request the necessary data from them.

Article (6)

1. Auditors at public bodies, institutions, and companies owned in full or in part, whose laws provide for a special audit system, shall be assigned under a decree from the Secretary of the Financial Audit Authority, who shall also determine the remuneration given to such auditors for their work.
2. Without prejudice to the responsibility of auditors before the bodies referred to in the preceding paragraph, such auditors shall be responsible before the Authority for their examination and audit of these bodies, and shall be deemed to be tasked with a public service, in the application thereof.
3. The Authority may communicate with the auditors at the bodies set out in clause (1) of this Article, and give them instructions related to the manner of examination and audit, and they shall provide the Authority with the reports they prepare on the duties they are assigned to perform. The Authority may review these reports and update any shortcomings or vagaries or assign said auditors to do so.
4. Audits of the bodies referred to in clause (1) of this Article shall be in accordance with observed accounting rules and within the scope of the provisions regulating the activities of these companies and businesses.
5. The management committees and officials at the bodies referred to in the preceding clause shall submit the Authority's observations contained in the reports submitted thereto to the general assemblies or other bodies, councils, and committees holding competence to approve the budget and balance sheet of such bodies. The Authority may attend the meetings held to discuss and approve the budget and balance sheet.

Article (7)

The Financial Audit Authority shall audit all extra-budgetary custody, petty cash, current and other accounts to establish whether the relevant transactions are correct and that the numbers recorded in the accounts are supported by complete and correct documentation. It shall also audit the advances and loans granted by the State or public bodies or institutions and verify whether these advances and loans, both the principal and appendant fees, were paid to the public treasury in accordance with the terms under which they were granted.

Article (8)

The Financial Audit Authority may, at any time, perform an unplanned examination or inspection of treasuries and accounts, and may examine the documents set out under the laws and regulations, and any document, record or paper it deems necessary for the audit, including those that are confidential. It may retain the documents, records, or other papers that it deems necessary or obtain copies thereof, and request that the person entrusted therewith or responsible therefor submit a signed certificate certifying their veracity. It may summon anyone it believes necessary to hear their statements.

Article (9)

The Authority may request that the competent bodies undertake the necessary measures to collect funds allocated to the state or to any of the bodies subject to audit thereby that did not undertake the measures necessary to collect such funds or that were disbursed unlawfully or in violation of legislation.

Article (10)

The Secretary of the Financial Audit Authority and the technical workers at the Authority shall be given the capacity of a judicial officer to enable them to perform their duties. A decree shall be issued by the Secretary of the Financial Audit Authority specifying the technical workers to whom the capacity of a judicial officer has been granted.

Article (11)

A report on the evidence gathered shall be opened on any financial violations and irregularities discovered by the Authority that are to be referred to the General People's Committee for the People's Oversight and Inspection for investigation.

Article (12)

The General People's Committee for the People's Oversight and Inspection shall initiate investigation procedures on violations uncovered by the Financial Audit Authority, suspend anyone who causes harm to public funds from their job and suspend disposals from the bank accounts where the harm occurred.

Article (13)

This Decree shall enter into force on the date of its issue, and shall be published in the Legal Register.

The Secretariat of the General People's Congress – Libya

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