

HELLENIC COURT OF AUDIT GREECE



Key Facts

Economic and general information

- In the early twentieth century the country experienced periods as both a republic and a monarchy, but in 1952 a new system of proportional representation provided Greece with a period of stable government, increased economic prosperity and the establishment of a new Constitution.
- A coup in 1967 was followed by a period of military government and the suspension of the 1952 Constitution. A republic was established following referenda in 1973 and 1974, but military rule collapsed in 1974 and a new Constitution was introduced in June 1975. In 1981 Greece became a full member of the European Economic Community.
- Greek civilisation has a long history characterised by exceptional architectural, literary and artistic achievements. In more recent times Greece was ruled by Turkey but gained independence in 1829.
- Greece has a land area of 131,957 square kilometres and a population 10.9 million inhabitants.
- Although in recent years there has been increased industrialisation, agriculture remains highly significant in Greece, employing 15.8 per cent of the working population. The most important products are tobacco, wheat, cotton, sugar, rice and fruit.
- Athens, Thessaloniki, Patras and Volos are the main manufacturing centres and the country's chief industries are textiles, chemicals, glass, metallurgy, tourism and shipbuilding.
- In the year 2000, Greece was the poorest of the then 15 European Union countries, its GDP per capita amounting to 68 per cent of the EU average. It has benefited from being the largest net recipient of European Community funds. Recent governments have contended with a high public sector borrowing requirement and current account deficit (the latter amounting to €1743 million, i.e. 1.2 per cent of the GDP in 2002). However, due to recent achievements in controlling inflation (3.1 per cent in 2003), and because of economic growth, Greece became a member of the European Monetary Union in 2001.

The structure of the Greek state

Constitution

The current Greek Constitution came into force in June 1975. Under this, Greece is a representative democracy with a parliamentary regime. The fundamental principles of the Constitution are: the democratic authority; the sovereignty of the people; the parliamentary system; the constitutional democracy; the representative system; the separation of powers between the executive, the legislature and the judiciary; the respect and protection of the human decency; equality; freedom; the state based on law; the welfare state and the peaceful co-existence and cooperation within the international society. The Constitution recognised economic and social rights, introduced economic planning and environmental protection and provided for nationalised industries. The use of referenda for important national issues is also recognised.

Head of State

Executive power rests with the President, who is the Head of State, and the Prime Minister. The President is elected by the Chamber of Deputies for five years, requiring two-thirds of the deputies' votes. He may be re-elected for a second term. According to the 1975 Constitution, as amended in 1986 he has a moderating role, although his powers are increasingly seen as ceremonial. The President has the power to nominate the Prime Minister (but not to remove him), nominate and remove the other members of the Government on the recommendation of the Prime Minister, dissolve the Chamber in certain circumstances specified by the Constitution, promulgate laws and send draft legislation back to the Chamber for further discussion. He can also sign decrees bringing into force laws on the recommendation of the minister concerned.

Legislature

Greece became a republic in December 1974, having overwhelmingly rejected 'crowned democracy' in a referendum. There is a unicameral 300 member Chamber of Deputies, elected for four years by a system of proportional representation and universal suffrage. Twelve of the 300 seats are reserved for State Deputies, not elected from specific electoral constituencies but instead designated by each political party according to the total percentage of votes obtained. The Chamber of Deputies meets as of right once a year for a regular session of at least five months. The right to propose laws is vested in both the Chamber and the Government. Bills relating in any way to the granting of pensions can only be submitted by the Minister of Finance, after consultation with the Court of Audit. In the Chamber, a majority of those present is required for bills to be adopted unless otherwise stipulated in the Constitution.

Each bill is examined by the relevant parliamentary standing committee, each consisting of 40-50 deputies that can call anyone to give evidence. They propose the adoption or rejection of the bill and make modifications to it. Where necessary, special ad hoc parliamentary committees may be established to deal with particular bills.

The Executive

Since the Constitutional Amendment of 1986, the executive power has shifted more towards the Prime Minister, in particular because he must now be the head of the majority party or coalition and so is no longer dependent on the confidence of the President. Under the Constitution, the Prime Minister's role is particularly strong, and ministers rely on his/her support, as much as they do on that of the Chamber of Deputies. The Prime Minister's role is to direct the activities of the Government, direct the public administration to apply government policy, ensure the implementation of the laws, propose and dismiss members of the Government and, with the relevant minister, nominate the heads of ministries.

The Prime Minister is supported by a Cabinet (or Council of Ministers) comprising ministers and deputy ministers. Secretaries of State, who are not members of the Cabinet, may be called to attend but may not vote. Ministers and deputy ministers are designated by presidential decree on the Prime Minister's advice. They represent the Prime Minister in his absence and are responsible for the functions he allocates to them.

The role of the Cabinet is to determine and conduct policy within the terms of the Constitution. It decides upon issues of the highest political importance, recommends the promulgation of ordinances, and proposes decrees under the Constitution. The Cabinet is assisted by several committees, including the Higher Council for Economic Policy, and the Inter-ministerial Committee for Prices and Income. The latter brings together the Prime Minister, relevant ministers and the Governors of the Bank of Greece and the National Bank of Greece.

Administration

Ministries of the Greek Government include central bodies such as the Ministry of Finance and the Ministry of the Interior, and 'line' ministries and departments. There are some 230,000 civil servants in Greece. Staff have traditionally had security of employment and progressed within a strongly hierarchical structure.

A number of other types of body have direct or indirect dependence on the state. These include public establishments such as hospitals, universities and the Church of Greece, and economic bodies. There are also private state establishments that intervene in key economic sectors, for example the Export Promotion Agency. Some state companies, such as the National Electricity Enterprise, have a monopoly, while others, notably banks such as the National Bank of Greece, operate in a competitive environment.

Public Accounting System

The Constitution provides that the Hellenic Parliament votes on the State Budget of revenues and expenditure for the following year. All State revenues and expenditures must be entered in the Annual Budget and the Annual Financial Statement.

The Minister of Finance submits a draft budget to the relevant standing parliamentary committee on the first Monday of October. After considering the committee's observations, the Minister of Finance introduces the budget to Parliament at least forty days before the beginning of the financial year.

The State's Annual Financial Statement and the Balance Sheet are laid before Parliament not later than one year from the end of each financial year. They are accompanied by the Report of the Court of Audit confirming that the accounts presented by the Minister of Finance are correct. The State accounts are also examined by a special committee of Members of Parliament and are approved by its Plenum.

State accounts are presented on a cash basis. Nevertheless, efforts have been made recently to move toward a presentation on an accruals basis.

The key posts in the Hellenic public accounting system are the Ordinator and the Public Accounting Officer. The Ordinator gives the order for the execution of the budget. Public Accounting Officers manage money, values, or assets, which belong to the State or the Public Entities.

Regional and local government

Since 1987 Greece has been divided into 13 regions. Within these regions there are a total of 52 prefectures. Within the prefectures there are around 900 municipalities (including 228 with more than 10.000 inhabitants) and 130 communities. Each region has a regional council, which is responsible for development. The council is presided over by the Secretary General of the region, who is the direct representative of the Government for planning, programming and co-ordinating the regional development. The Secretary General of the region is subject to the authority of the Minister of the Interior and other ministers.

There are two categories of local government. The first category consists of the municipality and community authorities, whose responsibilities include the local infrastructure, and who have a co-operative role in the promotion of economic, social and cultural matters. While most of their funds come from central government in the form of pro rata subsidies they have limited powers to impose taxes.

The second category of local government, called 'prefectural self-administration', consists of the Prefect, the Prefectural Council, and the Prefectural Committees. Prefects and members of the Councils are elected for four years by direct suffrage throughout the country. This grade of administration oversees financial, social and cultural development. There is no hierarchical relationship between the two categories and they act independently in exercising their duties. They both report to the Minister of the Interior.

The Supreme Audit Institution

Historical development

- 1833** Hellenic Republic Court of Audit, modelled on the French Cour des Comptes, was established by Decree.
- 1887** Law AYOZ assigned the preventive audit of the expenditure of the state to the Court.
- 1923** Further consideration given to the Court's work.
- 1969** Law Decree 321/1969 on public accounting, established the principle that expenditure in the budget should be reported in detail and money used only for intended purposes.
- 1972** Law Decree 1265/1972 classified the judicial audit of public money into a priori and a posteriori audit.
- 1980** The activities of the Court have been regulated by two presidential decrees. 774/1980, covers the rights of the Court, the preparation of an Annual Report on its audit work and consolidates previous laws; and 1225/1981, which outlines Court procedures. The Court expects that at some stage these will be incorporated into a new presidential decree. In addition to the decrees, more detailed audit procedures and rulings are promulgated in decisions of the Plenum, the Court's supreme authority.

The structure and organisation of the Hellenic Court of Audit

The head of the Court is the President. He is chosen by the Cabinet on the advice of the Minister of Justice from among all the Vice Presidents, the Judge Counsellors and the Vice Commissioners who have been in place for more than four years. There are now eight Vice Presidents under the President. They each head one of the Court's Judicial Sections and are chosen, in the same way as the President, from among the Judge Counsellors and Vice Commissioners who have been in place for more than three years. The most senior Vice President deputises for the President where necessary.

The Court has 131 posts of judge, of whom the most senior are the 28 Judge Counsellors. There are 44 second rank judges and the remaining 45 are junior judges. There is an age limit of 67 for judges. They are liable to disciplinary action if they express party political opinions. Judges are promoted on a decision of the Court's Supreme Judicial Council, which is composed of senior Judge Counsellors chosen by lottery and presided over by the President of the Court.

Among the judges are the General Commissioner of the State, the Commissioner of the State and three Vice Commissioners, who are supreme magistrates under article 66 of Presidential Decree 774/1980. They are functionally independent and hold permanent posts under the Constitution. The General Commissioner is appointed by the Cabinet, and candidates must be a Vice President, a Judge Counsellor or a Vice Commissioner with at least four years' experience. The responsibilities of the General Commissioner (and the Commissioner and the Vice Commissioners) include attending the sessions of the Court's Plenum, Judicial Sections and Climakions (or units of judges); introducing issues for consideration by the Plenum and announcing the rulings to the relevant authorities; and monitoring the Court's work and reporting to the Minister of Justice.

The Court consists of Climakions, Judicial Sections and the Plenum. Auditing offices headed by commissioners of the Court (i.e. judicial employees with a university degree, with more than 15 years experience and holding the rank of head of division) are situated in ministries, prefectures and larger municipalities, and have competence in both a priori and a posteriori audit.

Seven three-member Climakions are based at the Court in Athens. The responsibilities of the First Climakion include the audit of the accounts of public management and the off-budget special accounts. This Climakion also examines appeals against orders of the Minister of Finance dealing with pension rulings. The Second Climakion audits the annual financial statements of public entities and local agencies. Both the First and Second Climakions impose charges where there are deficits on accounts and impose disciplinary penalties on accounting officers for delays in submitting accounts and reviews, and non-execution of the Court's orders in relation to audit work. The Third Climakion examines appeals against administrative orders relating to the obligatory retirement of civil servants.

The responsibilities of the Fourth Climakion include dealing with the Court's relations with other international audit bodies and monitoring the audit missions of the European Court of Auditors to Greece. The Fifth, Sixth and Seventh Climakions carry out an examination of the legality of the public works/supplies/services contracts made by the state public entities or public enterprises, whenever the cost exceeds €2.9million (for public works) or €1.5million (for public supplies or services). Files containing all the relevant documentation, including a draft contract, are submitted to the Court for examination by the Climakion. If the audit is not concluded and the relevant file is not returned within forty days after its submission, the contract may be signed. The contract is not signed if the Climakion judges against within the set deadline.

The Court's Judicial Sections are responsible for:

- pre-examining the State's Annual Financial Statement and Balance Sheet;
- issuing judicial acts, rulings and minutes on the reports of commissioners in respect of the approval or non-approval of the payment orders of state and public entities;
- trying appeals against acts or decisions issued by the administration and the commissioners of the Court relating to financial management and the management of the material assets of the state, public entities and local agencies;
- trying the General Commissioner's motions for charging public servants of state bodies, local agencies and remaining public entities;
- trying appeals against actions of the three-member Climakions;
- trying appeals against acts regulating the pensions of employees of the state, public entities, local agencies and the armed forces; and
- trying applications for revocation against acts of the Fifth, Sixth and Seventh Climakions.

GREAT IMPORTANCE IS ATTRIBUTED BY THE COURT TO THE INTERNAL TRAINING OF ITS STAFF THROUGH CONTINUOUS ON THE JOB TRAINING

The Plenum is the supreme (or 'cancelling') judicial body of the Court, consisting of the President, the Vice Presidents and the Judge Counsellors. The Plenum deals with appeals against the decisions of Judicial Sections and also submits the Court's Annual Report to the Chamber of Deputies via the President.

The recruitment, remuneration and qualifications of staff and other resources

In addition to the 131 judges, the Court has some 1004 staff, of whom 599 are auditors. Around 270 (of whom 114 are audit staff) work in regional offices, the rest at the head office of the Court or within government ministries. Staff are classed as judicial public servants and are usually trained economists, lawyers or accountants. They are graded into one of four categories, depending on the level of their educational qualifications, and are classified within these categories according to their years of active service. The most senior in the highest two categories are usually appointed as heads of divisions on a decision of the Judicial Council (the body of Judge Counsellors and judges that decides on promotions and appointments for the judicial public servants).

New audit entrants must pass an examination covering accountancy law, public law, pension law and the basic principles of law. They are generally over 25 years old and usually move between jobs within the Court every two to five years. Salaries are linked to those of the civil service, although they are slightly higher to reflect additional training.

Great importance is attributed by the Court to the internal training of its staff through continuous on the job training. In this way, the Court aims at improving and consolidating its employees' experience, knowledge and capability. Training courses are programmed and carried out by the 11th Directory of Administrative Support. During the first two years of their service, every new employee attends compulsory courses upon the auditing procedure and the structure of the Court. In addition, all employees attend compulsory and/or optional training courses on an annual basis, according to their specific needs.

Recently, the Court, in collaboration with the National School of Public Administration has provided several training courses in technical subjects. Some staff have attended training courses held elsewhere in Greece and abroad, including seminars organized by EUROSAL and INTOSAI.

Second rank judges are selected from among the Court's junior judges. Until recently, auditors from within the Court, or from the Ministry of Economics, with a law degree and at least eight years of experience, were also appointed as second rank judges, following a decision of acceptance by the Supreme Judicial Council. More recently, a School of Judges has been established from which individuals with a law degree and aged from 25 to 35 can qualify to become junior judges for the Court of Audit, other courts and the Council of State.

The Court prepares its own budget according to Ministry of Finance directives. The budget is submitted to the Ministry of Finance through the Ministry of Justice. The Ministry of Finance issues the final form of the Court's budget and submits it to Parliament for approval. In recent years the Court's budget has amounted to between 0.035 per cent and 0.037 per cent of the total state budget and divides almost equally between a priori and a posteriori audit work.

The scope, role and rights of access of the Hellenic Court of Audit

Under the Greek judicial system the Court is classified as a supreme public financial court, dealing with public accounting and pension cases. The courts, including the Court of Audit, may examine the constitutionality of laws in dealing with a case, and may refuse to apply any provisions deemed not to conform to the Constitution. For example, in 1993 the Court prevented the implementation of a law containing pension provisions for which it had not previously provided an expert opinion. Where there are disputes between the Court of Audit and other courts, or where there is contradiction between judgements of the Court of Audit, the Council of State and the Supreme Court of Appeal, a final decision is made by the Special Supreme Court.

The Court of Audit has a number of roles:

- examining and approving payment orders for government and public corporation expenditure (a priori audit);
- verifying that the public accounts of state and public establishments and local authorities conform with legislation and regulations;
- auditing and deciding on the liability of public servants, as well as servants of public bodies or local agencies, for losses caused to the state, public corporations or local agencies through fraud or gross negligence;
- submitting to the Chamber of Deputies an annual report of the Court's work and a report on the Annual Financial Statements and the Balance Sheet of the state;
- monitoring of state revenues and checking revenue collected;
- providing an expert opinion on the laws regulating pensions and their implementation in specific cases, as well as pronouncing on bills concerned with pensions and retirement; and
- giving an opinion when called upon to do so by a minister.

THE COURT IS CLASSIFIED AS A SUPREME PUBLIC FINANCIAL COURT

The Court's jurisdiction extends to government departments and ministries, local government bodies and other public sector organisations. It does not have responsibility where the Government has decided that a body is a private corporation such as banks and the electricity company. Although even here the Court may have representatives among the auditors appointed to examine an organisation's accounts, and will thus contribute to the conduct of the audit and obtain information on how funds have been spent.

Under Laws 1892/1990 (article 85) and 1943/1991 (article 77), the Court may conduct audits of financial management or financial administrative management transactions of particular importance carried out by the state, the legal entities and public sector organisations. Such audits can be carried out at all public and private entities overseen or financially assisted by the state or public entities. In these cases the competent three-member Climakion can require repayment of any loss. Legal remedies against their decisions can be sought before the Court's Judicial Sections.

For the purposes of its work, the Court has complete access to all accounting books and supporting documentation and persons in central and local government under Presidential Decree 774/1980. It has the right to require relevant information from any competent authority, and refusal to co-operate is a disciplinary matter. Where supporting documents prove to be false, or the information is incorrect, the Court has the right to reconsider its judgement on the accounts within the terms of the statute of limitation.

FOR THE PURPOSES OF ITS WORK, THE COURT HAS COMPLETE ACCESS TO ALL ACCOUNTING BOOKS AND SUPPORTING DOCUMENTATION AND PERSONS IN CENTRAL AND LOCAL GOVERNMENT

The Court can conduct on-the-spot audits related to financial or asset management such as the inspection of stock and the verification of cash. Usually, however, the Court does not conduct on-the-spot audits, being satisfied instead with written certification from competent public authorities, with the exception of local government bodies and public entities.

Relations with Parliament and the Government

The Court's relationship with the Chamber of Deputies is limited to the submission of the Annual Report on a priori and a posteriori audit work, and the Declaration on the Annual Financial Statement and the Balance Sheet of the state. The Chamber takes account of the Declaration in giving its discharge to the state budget at the parliamentary debate on the Annual Financial Statement and the Balance Sheet. In addition, the Chamber approves the Court's budget based on the recommendations of the Ministry of Finance. In general the Court avoids cultivating relationships with individual deputies, but some are interested in the findings of the Court, especially when they generate significant press interest.

Relations with other auditors

In carrying out its work, the Court does not place reliance on other auditors. However, the Court does have contact with other auditors and inspectors such as officers of the General Accounting Office Units, which report to the Ministry of Finance and are located in each ministry and in every prefecture. These officers carry out a priori audit of the legality and regularity of expenditure. Their work is of an internal administrative nature while the Court's work is external audit.

In addition, inspectors of the Directorate of Financial Management, also responsible to the Minister of Finance, carry out a posteriori reviews and investigations of the accounting officers in government departments. Special units operate in the three branches of the armed forces. The Court also takes account of reports of chartered accountants and international private sector audit firms where they are available and relevant.

The auditing process

A priori audit

The Court is responsible for the a priori audit of state and public corporation expenditure under specifically issued laws. This involves it in the examination of payment orders issued by various public bodies, in particular to assess the accuracy, legality and regularity of the expenditure. For state expenditure, all types of transaction are examined except for salaries and rents, which are considered to be less risky and are submitted to a posteriori audit. For public corporations salaries and rents are subject to a priori audit. Around one million payments a year are examined, with work on each completed within a day or two of receipt.

For a priori audit, orders are sent to the Auditing Office for examination. Where the head of the Auditing Office in a ministry or a prefecture considers the expenditure to be legal under the relevant regulations, the payment order is approved and forwarded to be paid. Where expenditure is deemed not to be legal, the Office returns the uncertified order with its supporting documents and provides a brief report outlining the grounds for refusal. Where this judgement is disputed, the initiator of the order can resubmit the payment order with an explanation, which the head of the Auditing Office may accept. In this case the order will be certified.

Where the head of the Auditing Office insists that the case for refusal remains, a report outlining the case, together with all the auditee's arguments, goes to the Judicial Section. Here a Vice President, two senior judges and two second rank judges (who do not vote, but offer their opinions) consider the written evidence and reach a final decision by majority. No lawyers or witnesses are present and the final decision must be accepted by the Auditing Office.

A posteriori audit

The second role of the Court is the a posteriori audit of the accounts of Public Accounting Officers and the statements of public bodies and local administration agencies. The purpose of this is to decide upon the adequacy or otherwise of the accounts, give a discharge where satisfied or take action where not.

Civil and military Public Accounting Officers submit monthly and annual statements of accounts of their economic management of public funds to the relevant Climakion. Where the Climakion has doubts about the soundness of the accounts, Court staff forward a report to the accounting officer, together with a request for amendment or further information. Where changes or further information are satisfactory the accounts are considered to be sound and the auditor reports to the competent three-member Climakion. This Climakion pronounces on the accounts either by making a declaration that they are sound or by charging the accounting officer with the identified deficit, or the amount of funds not collected.

AUDIT WORK CARRIED OUT BY THE COURT IS LARGELY AN EXAMINATION OF DOCUMENTATION IN ORDER TO TEST THE LEGALITY AND REGULARITY OF EXPENDITURE

Where a deficit is identified, the Court initiates recovery proceedings against the accounting officer. The latter is usually an individual but in the case of local government there is collective responsibility. In deciding on the amount to be recovered, the Climakion can take account of the financial position of the accounting officer and the circumstances of the case, such as his absence when the loss or error took place. Individuals are not insured against losses occurring in the course of their work. The auditee has a right of appeal against the decisions of the Climakion or the Judicial Section and can eventually appeal, on legal grounds only, to the Plenum.

Where a criminal offence is discovered in the course of the Court's work the case is reported to the relevant minister and the Court's President and taken up by the Public Prosecutor in the criminal courts. On average around 10 cases a year are dealt with in this way. If an accounting officer does not submit the appropriate accounts and documentation to the Court within the time limits provided, the Court may fine them. The Court has the same power if an accounting officer does not comply with the Court's orders with regard to the audit of his management of the account. Where an accounting officer refuses to submit documentation at the request of the Court, the appropriate disciplinary court may impose a penalty on him, possibly leading to a temporary or even permanent loss of employment under Presidential Decree 774/1980.

Audit work carried out by the Court is largely an examination of documentation in order to test the legality and regularity of expenditure. In general a posteriori audit involves inspection of all transactions of the financial statements. Sampling is only used under Presidential Decree 774/1980 when authorised by the Plenum or in cases where serious delays are being experienced in completion of the audit. In cases where there is a suspicion of irregularity, a full audit must be carried out. Systems examination is not normally carried out as a separate exercise. As audited bodies are subject to both a priori and a posteriori examination, evidence about weaknesses in internal control systems can usually be gained in the course of routine audit work. Trend analysis is also only carried out on the initiative of individual staff and does not provide assurance.

Reporting

The Court reports to the Chamber of Deputies by issuing two reports. The first is an annual report of findings, which is published in the State Gazette. This sets out the results of the Court's operations, observations stemming from its work, and suggestions on reform and improvements, including changes to the relevant laws. The Court has also used this report to raise value for money issues from its audit work. In addition, to make the most of their findings, all auditees receive all the decisions and acts taken by the Court, so that they can use them as guidance.

The second report is the annual Declaration on the Annual Financial Statement and the Balance Sheet of the state, which examines the execution of the budget. This is required under article 98 of the 1975/1986/2001 Constitution and is a declaration that the accounts are correct. Both reports are discussed in sessions of the Court's Plenum and are then passed to the President of the Chamber of Deputies. Although the Chamber does not usually devote much time to the Annual Report, the Declaration is taken into account when the Annual Financial Statement and the Balance Sheet are discussed. Any discussions that do take place are in the full Chamber, rather than in parliamentary committees. Because of the judicial nature of the work of the Court its reports and findings are not publicised and it does not issue a press release or make senior staff available for interviews.

SUMMARY

The Hellenic Republic Court of Audit is part of the Greek judicial system; its role is outlined in the Constitution. It is primarily responsible for auditing expenditure and monitoring the revenue of the state, local administration agencies and other public corporate bodies as well as for carrying out an examination of the legality of contracts for public works, supplies and services. The main features are:

Appointment of the Court

- The Court's senior appointments - the President and the eight Vice Presidents - are made by the Cabinet on the advice of the Minister of Justice. Appointments are on the basis of merit and seniority and are from within the office.

Budget

- The Court's budget is prepared by the Court in accordance with Ministry of Finance directives. It is submitted to the ministry through the Ministry of Justice. The Ministry of Finance submits the final form of the budget to Parliament for approval.

Skills of staff

- Staff are usually trained economists, lawyers or accountants who have passed examinations covering public law, accounting and economics. Senior staff are lawyers and economists.

Audit jurisdiction

- The Court has responsibility for: a priori audit of payment orders for government and public corporation expenditure; verification of the public accounts of state and public bodies and local authorities; auditing and deciding on the liability of public agents for losses and damage to the state through fraud and mismanagement; carrying out a legality examination of public works/supplies/services contracts made by state public entities or local enterprises, whenever the cost exceeds a certain amount.
- Performance audits are not currently carried out.

Access

- The Court has complete access to all accounting books and supporting documentation as well as staff in central and local government for the purposes of its work. It usually avoids performing on-the-spot verification unless there is strong suspicion of mis-management, with the exception of local government bodies and public entities. Refusal to cooperate with the Court is a disciplinary matter.

Reporting

- The Court reports to the Chamber of Deputies in two ways. The first is an annual report of findings, setting out the results of the Court's operations, its observations and suggestions for improvements to systems and the law. The second report is the annual Declaration, giving the Court's view on the Annual Financial Statement and the Balance Sheet of the state.
- The Chamber does not usually devote much time to the reports and there are no procedures for a detailed oral hearing on the reports. However, under the Constitution the Chamber is obliged to take the Declaration into consideration in giving its discharge to the state budget.

Key legislation

- The activities of the Court are mainly governed by two Presidential Decrees: 774/1980, which covers the rights of the Court and consolidates previous laws, and 1225/1981, which outlines Court procedures. More detailed audit procedures and rulings are promulgated in the decisions of the Plenum of the Court, its supreme authority.