

LAW N.4700/2020

Uniform procedural document for the Court of Audit, a comprehensive legislative framework for pre-contractual audit, amendments to the Code of Laws on the Court of Audit, orders for effective enforcement and other provisions.

CHAPTER 56

STRENGTHENING AND DEEPENING THE AUDIT MISSION OF THE COURT OF AUDITORS

**Article 340
Audit Section**

The following Article 5a is added after Article 5 of the Code of Laws on the Court of Auditors:

‘Article 5a Audit Section

1. The Audit Department shall be responsible for defining the audit strategy of the Court of Auditors, planning and monitoring the annual and multiannual audit program, issuing audit reports of all kinds, unless they are referred to the Plenary for approval, planning and monitoring the targeted audits referred to in Article 40, and processing demonstrations and the annual report.
2. The Audit Department has the general presumption of competence for any matter relating to the milling program and the performance of any kind of checks.
3. The Chamber shall be chaired by the President of the Court, with one (1) Vice-President appointed by the full Court at the beginning of the judicial year as his alternate.’

Article 341

[.....]

Article 342

Targeted audits

Article 40 of the Code of Law on the Audit Service is replaced as follows:

“Article 40

Carry out targeted audits

1. The Court of Auditors shall carry out, in accordance with the provisions governing it, targeted audits in areas of high audit interest, on the basis of the annual audit program adopted by its Plenary.
2. The Court of Auditors shall carry out, in accordance with the provisions governing it, targeted audits of instalments in areas of high audit interest, on the basis of the annual audit program adopted by its Plenary.
3. The checks provided for in paragraphs 1 and 2 shall be carried out by the services of the Commissioner of the Court of Auditors. If deemed necessary, the inspections referred to in paragraphs 1 and 2 may be authorised by a decision of the Plenary, following a proposal from the Audit Department, to be carried out by a special team composed of judicial officers or auditors of judicial officials or judicial officers assisted by auditors from the Court. The members of the special team shall be appointed by the Audit Department. If judicial officers participate in the special team, they shall be appointed as a matter of priority among those serving in the Audit Department. When

the judicial officers involved in the above audits are assisted by court officials, the audit plan memorandum, on the basis of which the inspection is carried out, defines precisely the control actions entrusted to the judicial officers. If these checks reveal a shortfall, the Commission shall be responsible for the imputation of the Court of Auditors, in accordance with Article 46 (1).

4. In addition to the audits referred to in paragraphs 1 to 3, the Court of Auditors shall plan and carry out specific audits each year on a matter of general interest with a view to identifying and diagnosing systemic pathogens in public management, analysing the causes of these diseases and making recommendations to address them. The recording of the findings is contained in special reports addressed to the Parliament and the Government.
5. The planning of the audits referred to in paragraphs 1 to 4 shall be carried out by the Audit Department, taking into account the relevant proposals of the Departments with judicial powers. Audit reports shall be approved by the Audit Department, unless it considers that it is necessary for the audit report to be approved by the Plenary Assembly.
6. The checks provided for in (4) and (5) and the last sentence of Article 66 shall be carried out by their own teams, as provided for in paragraph 3. Depending on the subject matter and the difficulty that such audits may pose, the Plenary Assembly may decide to relieve the members of the judiciary and their staff members of any other employment.
7. The Court of Auditors carries out any kind of sixth KTO audit.
8. Officials or associates of public services or casualties with specialised knowledge and experience shall be made available by the department or body in which they are employed, exclusively or in an ancillary capacity, to the Court of Audit in order to carry out an audit requiring particular technical knowledge or experience. A decision on the allocation shall be issued by the competent minister at the request of the President of the Court of Audit. Persons assigned to the Court of Auditors shall, in respect of their remuneration, remain attached to the service or body from which they come.'

Article 343

Presentation to Parliament of the annual audit program of the Court of Auditors and arrangements for auditing the State's report and general balance sheet and the Court of Auditors' protests

Article 66 of the Code of Laws on the Hellenic Court of Auditors is amended, added to paragraph 4 and renumbered as Article 66a, and a new Article 66 is inserted, which shall read as follows:

"Article 66

Presentation to Parliament of the annual audit program of the Court of Auditors

The President of the Court of Auditors shall present to Parliament each year the annual program of audits of the Court of Justice, as laid down in its Regulation. Ten (10) days before the presentation of the annual program of audits of the Court of Justice in accordance with the previous paragraph, it shall communicate the program to the Speaker of Parliament. At the hearing of the President of the Court of Auditors, Parliament, as laid down in its Rules of Procedure, may propose that priority be given to some of the planned audits. It may also express an interest in carrying out checks other than those planned, up to three per year, in particular on weaknesses in public administration systems.

Article 66a

Audit of the State's accounts and general balance sheet — Statements by the Court of Auditors

1. The control of public management shall be completed by checking the report and the general equation of the State.

2. The Court of Audit shall examine the statement and balance sheet of the State on the basis of the provisions in force and in accordance with the provisions laid down by a decision of its Plenary, which shall be published in the Government Gazette. The examination is carried out in accordance with the Court's audit manual, which incorporates the relevant international auditing standards. The Court of Auditors shall return the statement and balance sheet of the State to the General Accounting Office of the State together with the relevant demonstrations within the deadline provided for in Article 167 (1) of Law 4270/2014.
3. Demonstrations are issued by the Plenary on the basis of the audit work of the Commissioner responsible. The Audit Section, after processing them, shall submit them to the Plenary Assembly, which shall decide on their issue.
4. After the protests have been sent to Parliament and until the legal time for writing has been completed, the accounts of the State and the transactions and acts underlying the accounts may be audited only if this is provided for thematically and on a random basis in the annual audit program or if an extraordinary check is ordered in accordance with the provisions laid down.'

Article 344

Arrangements for the Annual Report of the Court of Auditors to Parliament

Article 67 of the Code of Law on the Audit Service is replaced as follows:

"Article 67

Annual report to Parliament

1. Each year, the Court of Audit shall, by means of a report from its Plenary to Parliament, sent to its President by the President of the Court of Audit, report on the outcome of its work with criticisms of its audit work. The report may incorporate the findings of the targeted controls. The report may also include recommendations for reforms that become necessary to cure pathogens identified in the exercise of its responsibilities.
2. The observations of the Court of Auditors on the financial management of the State contained in its annual report shall be communicated, before the report is conducted, to the relevant authorising officers of the ministries, via the Minister for Finance, before the report is conducted. The Ministers' replies shall be included in a separate issue and shall be sent by the Minister of Finance within two (2) months of the report being notified to the President of the Court of Audit, who shall then forward them, together with the annual report of the Court of Auditors, to the Speaker of Parliament. The annual report of the Court of Audit together with the replies of the authorising officers responsible shall be published in the Government Gazette.
3. The annual report to Parliament is prepared by the Audit Department on the basis of the information provided to it by the panels and the services of a Commissioner of the Court of Auditors. The Audit Chamber, after processing it, shall submit it to the Plenary Assembly, which shall decide on its adoption.'

CHAPTER 57

UPDATE OF CHECKLISTS AND OPENING OF AUDIT PROCEEDINGS

Article 345

Responsibility for attribution

1. Article 38 (1) of the Code of Law on the Court of Auditors is replaced, paragraph 2 is repealed, paragraphs 3, 4, 5, 6 and 7 are renumbered as paragraphs 2, 3, 4, 5 and 6 and Article 38 is amended as follows:

“Article 38

1. The auditing of the accounts of public entities, the accounts of local authorities and other legal persons governed by public law, the special accounts and the other accounts referred to in Article 1 (1) (b) shall be carried out in accordance with the provisions of this Law by the Commissioner responsible for the service of the Commissioner. The Commissioner of the Court of Auditors shall also be responsible for issuing an audit opinion on the above accounts. Disputes arising from the above definition of responsibilities shall be resolved each time by decision of the Plenary Assembly.
2. In carrying out the audit of accounting officers’ accounts, the competent public services, accounting officers and any natural or legal person may ask for all necessary information or data, and where appropriate, an on-the-spot investigation may be carried out.
3. In the case of deficiencies found or doubts raised during the processing of accounts, a statement of changes and deficiencies shall be drawn up, which shall be sent to the competent authority to remedy the deficiencies found and to provide the information required within a period of not more than fifteen days, which may be extended for a reasonable period.
4. Disputes which arise during the audit of accounts to be debited or credited to accounting officers and which are lower than the amount fixed each time by decision of the Minister for Finance following the opinion of the Court of Auditors shall be deleted and those accounts shall be equalised in accordance with the same decision.
5. In matters arising during the processing of the accounts, the opinion of the competent branch on these matters may, in the event of doubt, be sought in advance following a report by the Commissioner to the Commissioner. The President of the Court of Audit may, if he considers this necessary in view of the seriousness or generality of the matter, forward the opinion of the Plenary, which shall be mandatory for the Commissioners, Headquarters and Chambers of the Court of Auditors when adopting their relevant acts and decisions.
6. If an offence is found to be punishable in the course of an audit of the accounts, the competent public prosecutor, the Minister or other competent institution to which the accounting officer belongs and the President of the Court of Auditors shall be notified.’

2. Article 46 (1), (2) and (4) of the Law on the Court of Audit is worded as follows:

“Article 46

Court of Auditors’ transactions

1. The competent Commissioner of the Court of Audit, having regard to the report drawn up on a case-by-case basis in accordance with Article 22 (1) (c) or (5), shall decide whether or not the accounts are correct and shall declare by act the accounts as having been correctly held or shall charge the offender with the deficit found or with the one resulting from the failure to collect, or shall establish a credit for any surplus. A branch of the Court of Auditors shall be responsible for accounting for deficits of more than EUR100.000,00. In this case, after observing the legal pre-trial procedure, the Commissioner shall forward to the Unit a request for attribution accompanied by an audit report and the relevant supporting material. The Unit, without resuming the inspection, if it considers that the application is adequately addressed in the file, shall invite the persons responsible to be heard and then rule on the application for attribution. If the Unit considers that the application is not sufficiently substantiated, it shall refer the case back to the Commissioner for further action. By decision of the Plenary Assembly, which shall be published in the Government Gazette, the above financial limit may be adjusted following an assessment of the most effective distribution of the audit work.

2. Where appropriate, the body responsible under paragraph 1 may charge the accounting officer before deciding on his accounts.

3. The accounting officer shall be charged the amounts laid down in the provisions in force on public accounting and on the collection of public revenue. Those increases shall be calculated, first, for failure to collect the sums collected from the date on which the accounting officer was required to effect recovery and for the failure to introduce the amounts collected from the date on which he was required to import the sums collected into the Treasury. In the event of a deficit, surcharges shall be calculated from the day on which it is ascertained that the deficit has occurred and where such verification becomes impossible, as soon as the deficit was discovered at the time of inspection or delivery of the accounting officer's management. If verification of the break takes place after the end of the financial year in which the deficit is to be managed and it is impossible to determine the day or month in which it occurred, the increments shall be calculated from the end of the financial year of management. The accounting officer shall be exempt from any increase if he proves that the omission or deficit is not due to deception or gross negligence on the part of the accounting officer.

4. Unlawful expenditure paid by means of payment vouchers not issued by the Public Audit Services shall in any case be charged by the Court of Auditors in accordance with Article 96 of Law 4270/2014 (GG I 143).'

3. The title and Article 47 (1) and (2) of the Code on the Court of Auditors area mended as follows:

"Article 47

Enforceability of acts — Notification

1. Acts of the Court of Auditors adopted in accordance with Article 46 and notified to the accounting officer in accordance with the provisions of a presidential decree shall be enforceable. These acts may not be appealed to the other courts and the amounts charged by these acts shall be made in accordance with the provisions of the Public Revenue Act Code.

2. Copies of the documents issued pursuant to Article 46 shall be forwarded together with the relevant files by their Secretariat to the General Commissioner of State of the Court of Audit for any appeal by the Court of Audit.

4. The second sentence of Article 56 (8) of the Code of Law on the Court of Auditors is replaced and Article 56 is amended as follows:

“Article 56

1. The supporting documents for prepayment orders shall be endorsed by the Commissioners of the Court of Auditors, who shall be assisted in the audit by the staff designated for that purpose, in accordance with the provisions hereof.

2. When checking and validating the justifications for the payment of accounts for warrants for a preliminary request, the Court of Auditors, on a recommendation from the competent Commissioner acting on its own initiative or at the request of the accounting officer, shall also decide on any expenditure rejected by the competent bodies for their recognition and clearance.

3. The provisions of paragraphs 1 and 2 shall apply mutatis mutandis to the supporting documents for the payment of advance payment orders by sub-delegated authorising officers who are not subject to ex ante control.

4. Persons who received paints from the State with an obligation to make an account and did not submit it in due time or submitted it only for part of the money received shall be charged by act of the Commissioners of the Court of Auditors, without prejudice to the other provisions of Article 6 (4) and (5) of Presidential Decree 136/1998 (GG I 107).

5. Commissioners shall withdraw their additional assessment acts if they endorse the relevant supporting documents.

6. Expenditure recognised and cleared by the competent bodies but deemed to be unlawful or not supported by legal supporting documents shall be charged by the competent Commissioner of the Court of Audit.

7. The notice of assessment referred to in this Article shall be subject to the appeal provided for in Article 48, which shall be brought before the body which issued them without payment of a fee.

8. The application for revision shall not be subject to a time limit if it is based on the submission of new supporting documents for the allocation of funds or on the completion of the documents submitted. Articles 38 (2) and 6, 46 and 47 shall apply mutatis mutandis. An appeal under Article 80 may also be brought before the competent department.’

5. Article 63 (1) and (2) of the Code of Law on the Court of Auditors are amended and Article 63 is amended as follows:

“Article 63

1. The body competent in accordance with Article 46 (1), at the request of the accounting officer or on a professional basis, shall decide on the discharge from liability of the accounting officers who are accountable to it for any loss, shortage or damage to money, material or supporting documents and payment documents of any kind, either by the act issued during the audit of the annual accounts or previously by a separate act. The

accounting officer, who requests the discharge, must prove the loss, absence or damage suffered and, furthermore, that he is not at fault because he has fully complied with the provisions in force and has exercised the diligence shown in his own cases.

2. The body competent in accordance with Article 46 (1) shall also decide by act, at the request of the accounting officers or also ex officio, on the discharge of their liability from pre-payment orders, provisional orders, imprest orders or cash advances from the same fund, as well as their liability for the loss, absence or deterioration of funds or supporting documents for the management of the money received. The accounting officer shall be required to prove the loss of the funds or their proper allocation and the loss of supporting documents for their disposal and, furthermore, that they are not at fault.'

6. Article 64 (1) of the Code of Law on the Court of Auditors is amended and Article 64 is worded as follows:

"Article 64

1. The supervision of the management of which has been completely or partially destroyed or lost to the Court of Auditors by force majeure or accidental occurrence and whose loss or destruction has been established by an act of the competent Commissioner of the Court of Auditors shall be carried out in accordance with the decisions of the Plenary of the Court of Auditors, which shall be published in the Government Gazette.

2. These decisions, adopted on a proposal from the competent department of the Commissioner of the Court of Auditors, shall determine the manner in which such management is to be audited, the data to be replaced by those who have been lost or destroyed, the persons liable for payment and the time limit for their submission, as well as any other relevant details for the audit.'

7. The first sentence of Article 80 (1) of the Law on the Court of Auditors is replaced and Article 80 is amended as follows:

"Article 80

1. An appeal may be lodged by anyone who has a legitimate interest within a period of sixty (60) days from the date of service or receipt of the contested act, against acts of assessment issued by ministers, single-member or collective administrative bodies, administrative authorities, financial inspectors or other bodies responsible for the management of material, values or funds of the State, legal persons governed by public law, local government bodies, other general government bodies, and legal persons under national or EU funds. If the person with a legitimate interest in lodging an appeal resides abroad, the corresponding time limit shall be ninety days.

2. The deadline for lodging an appeal against the above acts for the State, legal persons governed by public law, local self-governing bodies, legal persons governed by private law, which are made up of national or Community funds and for the General Commissioner of State of the Court of Auditors, shall be sixty days, starting from the expiry of the contested act.

3. The lodging of an appeal shall exhaust the competence of the body which issued the assessment notice.'

Article 346

Arrangements for inspections of local authorities and other legal persons governed by public law

1. Article 51 (8) of the Code of Laws on the Court of Auditors is replaced and Article 51 is replaced as follows:

“Article 51

1. The Court of Auditors shall carry out a mandatory ex-post audit of the accounts of municipalities, regions and their legal entities in particular under ordinary law, as well as public utilities, sewerage companies and municipal public limited companies referred to in Article 266 of the Code on Municipalities and Communities. The audit shall be carried out on an annual basis and shall be carried out at the end of each financial year or shall be carried out at the end of each financial year, or shall be carried out in a general or specific or thematic manner and shall consist of an audit of the legality and regularity of management. In any event, the check shall be carried out in accordance with the provisions of this Law.

2. The ex-post audit shall in particular check: (a) compliance with the principle of sound financial management shall be ensured, (b) proper observance of the applicable accounting or management system, in accordance with the rules and principles governing it, (c) keeping and updating the accounts in order to accurately reflect the content of the financial operations and financial operations, (d) the lawful payment of the share of any participation of one or more local authorities' fees to any type of third party legal persons or program contracts, (e) the lawful receipt of loans, the provision of guarantees and the fulfilment of the terms of the property, and (f) the collection of revenue from third parties in due time or in programmatic contracts;

3. The ex-post audit is carried out by the same Commissioner responsible for the ex-ante control of the expenditure of the bodies responsible. The responsibility for the Decentralised Services lies with the Commissioner of their headquarters. Specifically, for the metropolitan region of Attica, the Commissioners appointed by the plenary of the Hellenic Court are responsible for the relevant regional units.

4. The ex-post audit must be completed within six months of the date on which the copy of the balance sheet or balance sheet of the body subject to ex-post audit is sent: (a) the relevant reports and acts of its competent bodies, (b) the report of the auditors'- chartered auditors and (c) any information relating to the audit, determined by decision of the plenary of the Court of Auditors and in any event within the following financial year, from that on which the ex-post audit was carried out.

5. The relevant report on the results of the ex-post audit carried out, for all persons liable, shall be forwarded to the Ministers for the Interior, Decentralisation and Electronic Communications and Finance, as well as to the Transparency Committee and Parliament's Institutions.

6. In any event, the President of the Court of Audit may order an extraordinary management audit of the management of a local authority or a legal person governed by public law.

7. If the first-level local authority accounts and/or the balance sheet are not submitted to the Court of Auditors, in accordance with Article 163 (5) (a) of the Code of Municipalities and Communities, the penalties provided for in Article 45 of this Law shall be imposed on

the persons responsible, and an extraordinary check shall be carried out at the same time in accordance with Article 163 (5) (b) of the same Code.

8. The audit of the accounts of the bodies referred to in paragraph 1 may be carried out in their Member State.'

2. Article 53 (2) of the Code of Laws on the Court of Auditors is replaced and Article 53 is replaced as follows:

"Article 53

1. When auditing the accounts of other legal entities governed by public law and other audited bodies, the provisions of this Law concerning the audit of the accounts of public accounting officers shall apply *mutatis mutandis*.

2. Audit of the accounts of legal persons governed by public law and other legal representatives may be carried out in their Register.

3. The inspection of the Special Guarantee Account for Agricultural Products shall be carried out in the System of the Payment and Control Body for Community Guidance and Guarantee Aid (OPEKEPE), in accordance with the provisions of this Law and Law 992/1979.

4. Each public service shall be obliged to inform the Court of Auditors without delay of the establishment or repeal of any legal entity governed by public law or other body under its supervision.'

3. Article 54 (4) of the Code of Law on the Court of Auditors is repealed and the existing paragraphs 5 and 6 are renumbered as paragraphs 4 and 5 respectively, and Article 54 is worded as follows:

"Article 54

1. The plenary of the Court of Auditors shall each year issue an audit program for the accounts of legal persons governed by public law, with the exception of local authorities. The program shall specify:

(a) the legal persons governed by public law to be audited;

(b) the management period per financial year to be audited;

(c) the percentage of sampling, which in any case may not be less than thirty management operations and five per cent of the budgetary appropriations of each financial year audited;

(d) the tolerance of error, exceeding which a universal audit is required, which may not be more than one and a half percent of the management operations or the number of appropriations audited;

(e) the place where the inspection is carried out, which may be the department of the controlled legal person or other place where the links are kept;

the date of completion of the audit.

2. The inspection program shall be communicated, within a reasonable time from its adoption, to the Ministers responsible for supervising legal entities and to the legal persons who will be subject to the inspection.

3. The audit shall be carried out by the competent departments of the Commissioner of the Court of Auditors or by audit teams designated by the President for that purpose. The legal person for whom the on-the-spot check was decided shall be informed by the competent Commissioner or the President of the starting date of the inspection five working days before the start of the inspection. A representative of the legal person may also be present during the on-the-spot check. For each legal person, a special report shall be drawn up following the inspection, setting out reasoned observations on the improvement of the management of the legal person in question, which shall be sent to the competent bodies.
4. In urgent or exceptional cases, the audit program for individual legal persons may also be issued by the President of the Court of Auditors, in which case the above shall apply *mutatis mutandis*.
5. In all other respects, the provisions of this Law and Presidential Decree 1225/1981 shall apply.'

Article 347 **Audit procedure**

The following Article 54a is added after Article 54 of the Code of Laws on the Court of Auditors:

"Article 54a Audit procedure

1. Taking into account its audit capacities, the Court of Auditors shall plan audits of the special accounts, accounts of local government bodies, legal persons governed by public law and other bodies under its audit competence, so that each body can be audited at least once every four (4) years.
2. Accounts that remained unaudited, without prejudice to the completion of the legal time for speeding up, shall be checked on a thematic and random basis in accordance with the provisions of the annual audit program or by means of an exceptional check ordered in accordance with Article 40 (7).
3. If the Commissioner considers that the internal control system of the special account of me or of a local authority or a legal person governed by public law, or of another body falling within the audit function of the Court of Audit, operated effectively during the financial year in question, limiting to a minimum the financial risk involved, he may, after approval of the Audit Department, refrain from carrying out an audit of the transactions and transactions underlying the accounts.
4. By decision of the Plenary, which shall be published in the Government Gazette, provision may be made for the preservation, for audit purposes, of the management data of the accounts referred to in paragraph 1 within the premises of the audited bodies. This information, if requested, should, depending on the request, either be sent without delay to the Court of Auditors or be open to unimpeded access by the designated auditors. The detailed rules for the application of this Decision shall be laid down in a similar decision.'