CHAPTER - I

GENERAL PROVISIONS

Art. 1

Object

This law establishes rules relating to organization, functioning, duties and powers of the State Supreme Audit institution in the Republic of Albania.

Art. 2

Purpose

The State Supreme Audit institution, through its audits intends the effective, efficient and economic use of public funds, public and state property, the development of an appropriate system of financial management, implementation of proper administrative activities and the information to public authorities and the public, through the publication of its reports.

Art. 3

Definitions

As used herein, the following terms and expressions have the following meanings:
"Audit" means the audit conducted by the State Supreme Audit, which includes compliance audit, financial audit, performance audit, IT audit, and combined audits. In this law the term "audit" has the same meaning as the term "control" used in Articles 162 / pg.1, 163 and 164 / pg.1 / c of the Constitution.

"Financial Audit" means an independent assessment, resulting in an opinion with reasonable assurance whether the financial condition reported of an audited entity, the results and use of resources are presented fairly and in accordance with the legal framework of Financial reporting.

"IT Audit" means an examination of the implementation of IT systems to ensure that they meet the needs of the audited entity without compromising security, privacy, cost and other critical elements of the activity of the audited entity.

"Performance Audit" has to do with the audit of economy, efficiency and effectiveness and includes:

a) Audit economy, which means minimizing the cost of resources used in a public event, without prejudice to its quality.

b) Audit of efficiency, which means the optimization of resources-results report public activity, modifying processes, structures and all economic value chain, in accordance with national and international standards and best practices.

c) Audit of effectiveness, including evaluation of the final results and objectives, in accordance with the policies of the audited entity.

"Compliance Audit" means providing an objective, independent and professional assessment, on the degree the audited entity has followed rules, laws and regulations, policies, codes imposed or the terms and conditions upon which it was agreed.

"Regularity Audit" - the regularity audit includes:

a) Verification of financial responsibility of responsible entities, which includes examination and evaluation of financial records and expression of opinions on financial statements;

b) Verification of financial responsibility to units of general government;

c) Audit of financial systems and transactions, including the assessment of compliance with laws and regulations;

d) Audit of the system of public internal financial control and internal audit functions;

d) Audit of the integrity and consistency of administrative decisions taken within the audited entity, and
f) Reporting of all other matters arising during or related to the audit, which the State Supreme audit institution considers important to be made public.

"State Auditor" is an employee of the State Supreme Audit who carries out audit activity (external) of the public sector.

"Budget" is the whole of the income, expenditure and financing of local and central government special funds, which were approved by the Parliament of Albania, or by decision of the local government unit.

"Public funds" are all funds, including funds of the European Union and other donors, particularly when the law otherwise provided, which are collected, received, maintained, distributed and spent by public sector entities that comprise by revenues, expenditures, loans and grants for public sector entities.

"General Government" is the whole of the central government, local and special funds.

"Special Fund" is a fund established by law, which has as sources of income created by law, used only for specific functions or specific activities of central or local government.

"Central government units" are units of the executive, legislative and judicial, created by the Constitution as well as those created by law or decision of the Council of Ministers, who have as their primary activity to fulfill the functions of the central government.

"Local government units" are units of various local levels, established by law, that have as their primary activity to fulfill the functions of local government within a defined territory.

"Auditing Standards" are a set of concepts, guiding principles, procedures and methods to which the audit body is based while conducting the audit.

"Auditee" are all institutions of central government, local government bodies, other central and local performing public functions, independent institutions and trade associations or any other form, including financial ones, where the state capital is over 50 per cent or the loans, credits and liabilities are guaranteed by the state.

"The International Organization of Supreme Audit Institutions' (INTOSAI) includes supreme audit institutions of the Member States of the United Nations which has as main feature extraction methods and auditing standards, and providing training to public audit institutions.

"European Organization of Supreme Audit Institutions" (EUROSAI) is an independent, non-political organization, which promotes collaboration and fosters the exchange of ideas, experiences and techniques between Supreme Audit Institutions.
"International Federation of Accountants' (IFAC) is an international organization whose mission is providing assistance in the development, adoption and implementation of international accounting standards.

Art. 4

Institutional status

The State Supreme Audit institution is the highest external audit institution in the Republic of Albania, independent, which exercises its powers according to the Constitution and laws.

The State Supreme Audit institution is an apolitical body and departzed.

Art. 5

Premises, coat of arms and seal

The State Supreme Audit institution has its headquarters in Tirana.

The State Supreme Audit institution has its coat of arms and seal, which consists of a combination between the state emblem of the Republic of Albania and its year of establishment.

Art. 6

Area of activity

The State Supreme Audit institution audits in accordance with the Constitution, laws, bylaws, applicable manuals and international auditing standards.

The audit covers the areas of compliance, legality, regularity, financial management, accounting, and the economy, efficiency and effectiveness of the management of public or state property funds. The State Supreme Audit institution, in its activity, should reflect the highest international standards of INTOSAI and IFAC, and resolutions of Congresses of INTOSAI and EUROSAI.

Art. 7

Budget

The budget of The State Supreme Audit institution is financed by the state budget, which is reflected as a separate institution.

The State Supreme Audit annually proposes its draft budget to the Economic and Financial Committee, which reviews and submits for approval to the Parliament, as an integral part of the State Budget.

The State Supreme Audit independently implements its budget, approved by the Assembly.
The State Supreme Audit prepares its annual financial accounts, in accordance with the legislation on the budget. The accounts are audited by an independent group of auditors, selected by competition from the Assembly administration, monitored by the Economy and Finance Commission. This group of auditors reports on its activities to the Commission on Economy and Finances of the Assembly.

The State Supreme Audit institution has the right to use a secondary income, derived from international projects and its publications.

Art. 8

Cooperation

The State Supreme Audit institution feature of his activity, cooperates with other supreme audit or professional organizations, domestic or international.

Cooperation means membership, participation in the form suitable for audit, sharing experiences and conducting joint training, where in each case the State Supreme Audit institution will represent and protect the interests of the Republic of Albania.

CHAPTER- II

POWERS, RIGHTS AND DUTIES

Art. 9

Audit Plan

The State Supreme Audit institution decides independently and at any on its plan of activities.

The State Supreme Audit institution, in determining its audit plan may also consider proposals made by other units of general government.

Art. 10

Powers

The State Supreme Audit institution, in accordance with its function, has the authority:

a) to audit the budget implementation by the units of general government, including annual budget accounts;

b) to audit public revenues collection;
c) to audit the use, management and protection of public funds and public or state property of general government units;

c) to audit the annual financial statements for the general government units and provide opinion on them;

d) to audit internal audit systems in the public sector;

dh) to audit the users of public funds provided by the European Union or other international organizations, except as otherwise provided by law;

e) to audit the use and management of funds and property owned by the state, and the protection of economic and financial interests of the State in legal entities in which the State has more than half of the quotas or shares or the loans, or loans and obligations are guaranteed by the State;

ë) to audit, in order to protect public interests, activities or sectors regulated by concession contracts;

f) to audit political parties, public entities or associations for funds that were granted them by the state budget;

g) to audit entities defined in other special laws.

The State Supreme Audit institution, each year, provides an opinion on the annual report of the implementation of the consolidated budget, which includes the assessment made pursuant to Article 15 of this Law.

Art. 11

Financial Audit

In financial audits, the State Supreme Audit institution must determine if the results and the financial position of the entity being audited is reported, and the use of resources are presented accurately and in accordance with financial reporting rules.

Art. 12

Compliance Audit

In compliance audits, the State Supreme Audit institution must determine:

a) if the income and expenses were in line with the law of the state budget, with the relevant legal acts of legislation and the principles of law for financial management and control;

b) if the general principles of financial management in the public sector and the behavior of public sector officials have been implemented.
Art. 13

Performance Audit

In the performance audit, the State Supreme Audit institution must assess whether programs, work organization and processes, operations and systems management of public sector entities are operating in accordance with the principles of economy, efficiency and effectiveness.

The State Supreme Audit institution is authorized to conduct performance audit at any time it deems necessary.

The State Supreme Audit institution publishes its reports on the performance audit.

Art. 14

Information Technology Audit

In IT audits, the State Supreme Audit collects and evaluates evidence to determine whether a computer system protects assets, maintains data integrity, allows the entity being audited goals to be achieved effectively and use resources efficiently.

Art. 15

The rights and duties of ALSAI

The State Supreme Audit institution, as appropriate, in the beginning, during and / or at the conclusion of the activity must:

a) inform the management of the audited entity or higher institutions for violations of normative acts, resulting in material damage and recommend them to correction / adjustment / modification of laws;

b) inform the management of the audited entities or bodies of competence on financial irregularities and damages during the administration of public funds and to recommend them to any amount used in violation of the laws or bylaws compensated and compensated in the manner specified by roads and law;

c) recommend directors of audited entity or bodies of competence to undertake, in the manner and ways prescribed by law, structural and organizational measures, including the launching of disciplinary or administrative proceedings;

ç) convey to specific bodies administrative review, respective fields of competence, the findings on violations that are subject to review, together with the relevant documents to the audit;
d) get provided by the audited entities; conditions, place of work and logistical resources necessary for conducting audit when the audit missions are conducted in their premises;

dh) ask and get answers in writing or verbally, by audited entities or their employees, within one week from the date of submission of a prior request;

e) in accordance with Article 26 of this law, require audited entity, to submit official documents, written or electronic, as well as the required information, the terms, conditions and structure established by it;

ë) in accordance with the legislation on the protection of personal rights, to ask for legal persons, where the state owns more than 50% of the shares or the loans, credits and liabilities are guaranteed by the state, who possess written documentation or Electronic considered necessary to perform the audit, that you present them upon request, to the auditor in charge;

f) to require public authorities which have jurisdiction in the area of financial control, fiscal control, and control or supervision in other areas, which give priority by giving them assistance in performing audits of processes specific undertaken by the State Supreme Audit institution, which in this case refers to them with a special request;

g) require to the Bank of Albania and commercial banks made available within a shortest time, data about the accounts of central government institutions, local authorities, other central institutions and local performing public functions, independent institutions and commercial companies or any other form, including financial ones, where the state capital is 50 percent or the loans, credits and liabilities are guaranteed by the state;

gj) address criminal prosecution bodies when further tracking of audit findings from their competence;

h) approach the court with a lawsuit;

i) propose financial inspection and internal audit units public, perform inspections and audits within their competence;

j) establish a timetable for implementing the recommendations and informed by audited entities or higher institutions about their programs to implement the recommendations made by the preceding paragraphs, within 20 days from the date of receipt of the request;

k) address the highest state bodies competence in case of defaults on recommendations made by the State Supreme Audit institution;

l) propose to the Parliamentary Commission of Economy and Finance or any other relevant Assembly committee to consider special audit reports.
Art. 16

**Evaluation of control systems and internal audit**

The State Supreme Audit institution, in exercise of its powers, assesses overall functioning of the systems of internal control and audit bodies subject to audit, giving random opinions and recommendations.

In order to fulfill its duties, and without prejudice to the right to conduct audits itself, the State Supreme Audit institution may use the findings of audits performed by other firms.

The State Supreme Audit institution takes into account these findings, only if the standards used for these audits are in accordance with its own standards and the ones of international auditing.

Art. 17

"**Consultation and providing opinions**"

For matters relating to the drafting of a bill that relates to function, activity, tasks and powers of the State Supreme Audit institution, state authorities consult in advance with the State Supreme Audit.

The Chairman of the State Supreme Audit institution may be invited to attend and speak at meetings of the Council of Ministers, when considering issues related to the functions and activities of the State Supreme Audit institution.

The State Supreme Audit institution provides its opinions and makes proposals regarding the improvement of legislation in the fields within its competence.

Art. 18

**Revocation and amendment of the laws**

In cases where, in the exercise of the activity, the State Supreme Audit finds discrepancies in laws or bylaws with basic laws, or with each other, it may recommend to the competent bodies their change, revocation or suspension or submit the request to the Constitutional Court."
CHAPTER - III

THE CHAIRMAN OF THE STATE SUPREME AUDIT INSTITUTION

Art. 19

Election and term of office

The State Supreme Audit institution is managed and represented by the Chairman of the State Supreme Audit institution.

The Chairman of the State Supreme Audit institution is elected by the Assembly on the proposal of the President of the Republic for a term of seven years, with possibility of re-election.

The payment of the Chairman of the High State Control is equal to that of the Supreme Court.

Art. 20

Criteria to be selected

The Chairman of the State Supreme Audit institution should be settled Albanian citizen who meets the following conditions:

a) University degree in economics, finance or law,

b) Professional experience in financial matters;

c) Higher professional qualifications and professional experience of not less than 10 years;

d) Enjoys high moral and professional integrity;

d) Not convicted for committing a criminal offense by a final court decision.

Art. 21

Inconsistencies during the term of office

The Chairman of the State Supreme Audit institution, in the exercise of its function cannot be a member of Parliament, member of the Council of Ministers, elected local government bodies, or bodies of any political party or organization.

He cannot perform the job with or without compensation to other public entities, private or non-profit with the exception of teaching, publications and cultural and sports activities, provided that these activities do not harm the dignity of the institution and not affect its impartiality and independence.
The Chairman of the State Supreme Audit institution task, starts after taking the oath before the Assembly.

The formula of the oath is: "I swear that I will always be faithful to the implementation of the Constitution and other laws of the country, protecting the interests of Albania and the fundamental rights of citizens, and I will fulfill with honor, conscience and justice My duties and powers as the Chairman of the State Supreme Audit institution".

Art. 22

**Immunity**

The Chairman of the State Supreme Audit institution has immunity of the Supreme Court’s Judge.

The Chairman of the State Supreme Audit institution has immunity for the opinions expressed and decisions taken in the exercise of his functions.

The Chairman of the State Supreme Audit institution cannot be deprived of liberty or arrested in any form or to exercise control over him personally or his habitation, without the authorization of the Constitutional Court, but if caught committing or immediately after the commission of a crime.

In this case, the Attorney General shall immediately inform the Constitutional Court which if does not consent within 24 hours to the court, the competent organ is obliged to release him.

Art. 23

**End of term and dismissal**

1. The mandate of the Chairman of the State Supreme Audit institution ends when:

a) expires the seven-year tenure;

b) is punished by a court with a final decision for committing a crime;

c) is not present in office without reason;

d) resigns;

d) is declared incapacitated by a final court decision;

f) reaches retirement age;

d) deceases.
2. The Chairman of the State Supreme Audit institution can be discharged from the Assembly on the proposal of the President of the Republic when:

a) violates the Constitution or seriously violates the law during the exercise of its functions;
b) is considered by the court at the final decision as unable to perform his duties;
c) is punished by the court with the final decision for committing a criminal act,
d) commits an act or behavior that seriously discredit the position and his image.
d) in cases of incompatibility of functions.

3. If the position of the Chairman becomes vacant, the President, within 15 days proposes to the Assembly the new nominee. The Parliament elects the Chairman of the State Supreme Audit institution within 15 days from receipt of the nomination.

Art. 24

Continuity after the mandate

After the mandate of the State Supreme Audit institution Chairman ends, as defined in Article 19 of this law, the latter remains in office until a new Chairman is elected.

The Chairman of the State Supreme Audit institution returns to previous tasks and if unable, to a task equivalent to it.

Art. 25

Responsibilities

The Chairman of the State Supreme Audit institution is responsible and decides:

a) the policies and strategies of the State Supreme Audit institution;
b) the annual audit plan and audit powers committing outside the initial plan;
c) on the manuals and auditing standards;
c) on taking decisions on audit reports, civil and administrative measures that were recommended after completion to the audit entities;
d) on submitting audit reports to the state institutions, etc.;
dh) on the materials to be sent to the prosecutor’s office;
e) on matters to which the court will address the lawsuit;
ë) on the structure, functions and appointments at the State Supreme Audit institution;

f) on the powers and duties of organizational units;

g) salary structure, compensation, in accordance with the applicable legal framework;

gh) on rules and guidelines to be followed by staff;

h) on internal regulations or relevant manual on how auditors should treat suspected cases of fraud and corruption;

i) the official authorized by him who can represent the State Supreme Audit relationships with third parties;

j) on the time of the working days for ALSAI’s employees and in special occasions, its change in compliance with the Labor Code;

k) other matters specified by law.

CHAPTER - IV

THE RIGHT TO ACCESS DOCUMENTS AND INFORMATION

Art. 26

Access to official documents

The State Supreme Audit institution has the right to have access to all official documents, written or electronic, in electronic data bases as well as any information or documentation to the economic and financial sphere, which would be a state secret or confidential and considered necessary in order to exercise its legal powers and duties.

All audited entities are required to provide the State Supreme Audit access to official documents under the preceding paragraph.

If the incidence of obstruction, acts or omissions in violation of the above rights, the State Supreme Audit institution addresses, as appropriate, to the highest administrative or judicial authorities.

The State Supreme Audit institution cannot demand documents or information, or physically go to entities that are not audited entities as defined in Article 3&10 of this law. The State Supreme Audit institution cannot intervene in the self-declaration of tax entities but recommends with regard their evaluation or re-assessment.
Art. 27

**Preserving confidentiality and state secrets**

If the State Supreme Audit institution, in performing its activities, face official documents, in written or electronic form and any other information that constitutes a state secret under the provisions of the legislation to information classified as state secret, the State Supreme Audit institution, must preserve confidentiality. In these cases, the ALSAI shall inform the competent authorities concerned.

The State Supreme Audit institution is obliged to protect the confidentiality of information provided because of duty, which are protected by the legislation on personal data protection.

Art. 28

**Audit of activities considered "state secret"**

Activities that constitute state secrets based on the relevant legal provisions, must be audited by auditors authorized by the Chairman of the State Supreme Audit institution who must have safety certificate issued by the relevant institution.

The reports for these audits are submitted to the Commission for National Security and / or the Economic and Financial Committee of the Assembly.

CHAPTER - V

AUDIT REPORTING

Art. 29

**Comments and explanations on the draft report**

Before issuing the final audit report, to the audited entity should be created more opportunity to comment on the draft report.

Comments and explanations made are sent to the State Supreme Audit within one month from the date of receipt of the draft report. These comments and attitude towards their auditors should be reflected in the final report.

Art. 30

**Recommendations of the ALSAI and follow-up**

In its reports, the State Supreme Audit institution provides recommendations in accordance with Article 15 of this Law.
The audited entity within 6 months from the date the audit report, reports to the State Supreme Audit institution over the implementation of the recommendations.

Art. 31

**Reporting to Parliament**

The State Supreme Audit institution submits to the Assembly:

a) the report on the implementation of the state budget;

b) the opinion on the Council of Ministers report on the expenses of the previous financial year before it is approved by Parliament;

c) the information on the results of audits whenever required by the Assembly;

c) the final audit reports when deemed necessary by the Chairman of the State Supreme Audit institution or requested by the Assembly;

The Chairman of the State Supreme Audit institution may ask to the Assembly, the Committee of Economy and Finance, or any other committee of the Assembly, to be heard and report on issues he deems important in view of the institutional activity.

The State Supreme Audit institution shall present an annual report on its activities within the first quarter of next year.

Art. 32

**Submission of audit reports**

The State Supreme Audit institution submits the relevant audit reports to the audited entity, including when they are presented to the Assembly.

The Chairman decides if it is necessary for these reports to be submitted to the President of the Republic, Prime Minister, Speaker of Parliament, heads of parliamentary groups or the Minister of Finance.

The State Supreme Audit institution must submit to the Council of Ministers, other government authorities, non-profit organizations with which ALSAI has collaboration agreements, the public and other interested parties when it deems necessary and in the interest of the state and public, reports, studies and other material dealing with the Council of Ministers, ministries and other central institutions.

Art. 33
**Newsletter and publications**

In view of its duties and the scope for sharing information and experience, the State Supreme Audit institution regularly publishes a newsletter which shall include in particular:

a) final and annual audit reports;

b) conclusions and recommendations of particular importance audits;

c) the annual accounts of the State Supreme Audit institution, including the auditor's opinion on them.

The State Supreme Audit institution, depending on the purpose and duties above and in cooperation with other state institutions, universities and civil society can be engaged in organizing the annual open analysis work, scientific conferences in the field of public audit and financial management. The State Supreme Audit institution may engage in publishing scientific and professional journals, translations, publications, distribution of publications of international organizations to audit (external), the other counterpart institutions deemed of interest.

Art. 34

**Transparency and public information**

The State Supreme Audit institution, in respect of its legal obligation to inform the public, provides the public nature of its work through:

a) the publication of reports by the ALSAI in the Parliament;

b) the publication of audit reports electronically;

c) press conferences and other methods of information in the media;

ç) the publication of press releases and any other information determined by the Chairman of ALSAI; with the exception of information and materials that constitute state secrets, confidential commercial or considered as provided in Articles 27 and 28 of this Law.

CHAPTER - VI

ORGANIZATION, STRUCTURE AND STATUS OF EMPLOYEES

Art. 35

**Structural organization**
The organization, powers, duties and development activities of the State Supreme Audit institution are made in accordance with this Act and the regulations approved by the Chairman of the State Supreme Audit institution. The State Supreme Audit institution, in view of its audit activity goals, has the right of establishment of structures at a local level.

Art. 36

Inconsistencies in audit functions

Employees who perform audit functions at the State Supreme Audit institution, are not allowed to take a political mandate nor be active members of any organization or political party and should not participate in activities with political or commercial character. Exempt from the restriction teaching, publications and cultural or sports activities, provided that these activities do not impair the dignity of the institution and not affect its impartiality and independence.

The Chairman of the State Supreme Audit institution issues regulations with regard the inconsistency cases with audit functions.

In case there is any disagreement on duty relevant to the position in the State Supreme Audit institution, for the employee it is undertaken a disciplinary action.

Art. 37

The status of employees and ethical rules

The administration of the civil service in the State Supreme Audit, recruitment, promotion, lateral transfer, evaluation, transfer, dismissal and suspension as disciplinary measures for employees of the institution, is made in accordance with civil service legislation.

Employees of the State Supreme Audit institution must perform their duties in a professional and consistent definitions of the law, civil service legislation, internal regulations of the institution, auditing standards and Code of Ethics.

Art. 38

Implementation of audit and supporting functions

The State Supreme Audit performs its functions through the exercise of audit assignments. Auditors in their activity are supported by officials and employees of other support services.

Auditors and other officials of the State Supreme Audit institution are civil servants. Labor relations of other supporting staff are regulated by the Labor Code.

Art. 39

Professional training
Employees of the State Supreme Audit enjoy the right to be trained professionally under an institutional plan designed in accordance with the identified needs.

The State Supreme Audit institution provides a systematic process and professional development plan, which includes adding and updating the knowledge and skills necessary to perform effectively the duties of the audit, in conjunction with ASPA-s, with other supreme audit institutions or other national or international professional organizations.

Art. 40

Temporary external experts

In view of the institution's activity and depending on the needs, the Chairman of the State Supreme Audit institution may temporarily contract domestic or foreign external experts.

Temporary foreign experts are required to maintain the confidentiality of the data that provide the expertise, in accordance with the legislation on protection of personal data and for the information classified as state secret. They must respect the Code of Ethics and Internal Regulation of the State Supreme Audit institution.

The expenses for the experts are covered by the budget of the State Supreme Audit.

The Chairman of the State Supreme Audit institution approves preliminary by decision, the rules for the experts selection and payment. The decision is published in the Official Journal.

Art. 41

Principles of duty for state auditors and external experts

In exercising their duties, state auditors and external experts contracted by the State Supreme Audit should be independent and not be subject to any restrictions or pressure about their opinions.

The professional relationship between them and the audited entities, should be based on honesty, integrity, fairness, confidentiality and independence from the audited entity in accordance with the legislation on the prevention of conflicts of interest in the exercise of public functions.

In performing their duties and powers, state auditors and external experts should not seek or accept, directly or indirectly, for themselves or for other persons, gifts or other benefits.

The disciplinary liability of auditors is regulated by the state civil service legislation, the Code of Ethics and internal rules of the State Supreme Audit institution.
CHAPTER - VII

FINAL PROVISIONS

Art. 42

Approval of regulations, manuals, guidelines and Code of Ethics

The Chairman of the State Supreme Audit institution, within three months from the publication in the official journal of this law, has the duty to adopt regulations, manuals, decisions, guidelines and Code of Ethics, under Article 25, 37 and 40 of this Law.

Art. 43

Repeals

The Law no.8270, dated 23.12.1997 "On the State Supreme Audit institution", as amended and any other provision that is inconsistent with this law, are repealed.

Art. 44

Entry into force

This law enters into force on January 1, 2015.

SPEAKER OF THE PARLIAMENT

Ilir META

Approved on 27.11.2014