CHAPTER 53. GENERAL AUDITING OFFICE

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SECTION 53.1. DEFINITIONS

AS USED IN THIS CHAPTER-----

(a) The term “Government agency” means every ministry, bureau, board, commission, institution, authority, organization, enterprise, officer, employee, or other instrumentality of the Government, including commonwealths, cities and townships, and other local authorities or political units of the Republic;
(b) The term “Government organization” means every enterprise, authority, monopoly, factory, or other industrial or commercial facility, corporation, utility, company, lending or financial institution, or other instrumentality which is wholly or partly owned by the Government.

SECTION 53.2. OFFICE ESTABLISHED; AUDITOR GENERAL AND DEPUTIES.

There is hereby established in the Executive Branch of the Government an independent agency to be known as the General Auditing Office, which shall be headed by the Auditor General, who shall be assisted by at least two Deputies. The Auditor General and the Deputies shall be appointed by the President, by and with the advice and consent of the Senate. The Auditor General shall be appointed for a term of office of fifteen years and shall not be eligible for reappointment. The Auditor General shall be removed by the President for gross malfeasance or gross nonfeasance in office or for mental or physical disability or incompetence. In the absence of the Auditor General, the President shall appoint one of the Deputies to act in the capacity of Auditor General.

SECTION 53.3. DUTIES OF AUDITOR GENERAL.

The Auditor General shall be the officer of the government principally responsible for conducting comprehensive post audits, special financial investigations, reconciliation and analyses, and continuous audits on a routine basis. He shall:

(a) Once a year perform audits of all government agencies and Government organizations and examine, to the extent he deems necessary, all transactions and accounts relating to the receipt, disbursement, and utilization of the public monies;

(b) Perform audits of all property accounts and transactions of all Government agencies and government organizations; such audits shall be conducted as far as practicable at the place or places where the property and records are located and shall include an evaluation of the effectiveness of internal control and other methods of safeguarding the assets of the government;

(c) Perform audits of withdrawals of money within the responsibility of the Government as stated in the appropriation acts or financial obligations by the order of the Ministry of Finance;

(d) Inspect the books of account of banks and financial institutions to verify the amounts of government monies, securities, and other assets hypothecated or on deposit, or otherwise require written bank confirmations of government monies, securities, and other assets under control of such banks or financial institutions;

(e) Inspect the books of account of privately owned commercial and manufacturing establishments for the purpose of verifying transactions with government agencies and government organizations, requiring outside written confirmations of accounts receivable and employing such other extended audit procedures as are necessary;

(f) Prescribe auditing standards and develop and implement auditing procedures, methods, and techniques appropriate to governmental accounting practices;

(g) Require any government official or employee or other person to testify on oath as a witness in matters pertaining to financial transactions which involve the use or custody of government monies or assets.\textsuperscript{182}

SECTION 53.4. INFORMATION FOR AUDITOR GENERAL

The Auditor General or his designee is entitled to free access at all times to all files, documents, and other records to the accounts of every government agency and government organization, and he is also entitled to require and receive from officials and employees such information as he may deem necessary for the proper performance of his duties. The Auditor General may station in any government agency or government organization any person employed by General Auditing Office to exercise more effectively the audit functions set forth above.\(^{183}\)

SECTION 53.5. SECURITY REQUIREMENT.

The Auditor General shall require every person employed in the General Auditing Office who is to examine the accounts of a government agency or government organization pursuant to this chapter to comply with any security requirements applicable to persons employed in that government agency or Government organization and to take any oath of secrecy required to be taken by such persons.\(^{184}\)

SECTION 53.6. AUDIT CERTIFICATE.

The Auditor General shall examine and certify in accordance with the outcome of his examination any statement that the Minister of Finance or other head of a government agency or government organization may present for audit certificate.\(^{185}\)


SECTION 53.7. ANNUAL REPORT OF AUDITOR GENERAL.

The annual report of the Auditor General to the Legislature on the activities of the General Auditing Office and on the results of his audits, shall call attention to the following:

(a) Any officer or employee who has willfully or negligently failed to collect or receive monies belonging to the Government.
(b) Any public monies not duly accounted for and paid into an authorized depository;
(c) Any appropriation that was exceeded or applied to an account;
(d) Any deficiency or loss through the fraud, default, or mistake of any person; and
(e) Inadequate or ineffective internal control of public monies and assets.

When appropriate, the report shall also include recommendations for executive action or legislation deemed necessary to improve the receipt, custody, accounting and disbursement of public monies and other assets.\(^{186}\)

SECTION 53.8. AUDIT REPORTS.

All regular reports of audits of Government agencies and Government organizations shall, in addition to being submitted to the President, be transmitted to the head of the affected agency or organization and to the Ministry of Finance.\(^{187}\)


SECTION 53.9. INVESTIGATIONS

Whenever the President directs, the Auditor General shall inquire into and report on any matter relating to the financial affairs of the Government or to public property and on any person or organization receiving or seeking financial aid from the Government.\(^{188}\)

SECTION 53.10  ACCEPTANCE OF MONEY BY OFFICER OR EMPLOYEE OF GENERAL AUDITING.

No official or employee of the General Auditing Office shall accept any money or gift for services performed for or in any way connected with the audit of government agencies, government organizations, or private or juristic persons, whether in the form of salaries, fees, expense reimbursements, honorariums, or in any other form. All monies received for restitution of funds shall be paid directly to the Ministry of Finance.\(^{189}\)


SECTION 53.11. AUDITING OF ACCOUNTS OF GENERAL AUDITING OFFICE.

The Auditor General shall be responsible for the income and expenditure accounts of the General Auditing Office. The auditor of such accounts shall be appointed by the Minister of Finance and shall report the results of such examinations to the President. ¹⁹⁰
