Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

9 December 2004 [shall come into force on 20 December 2004];

22 June 2005 [shall come into force on 20 July 2005];

12 December 2008 [shall come into force on 1 January 2009];

17 September 2009 [shall come into force on 20 October 2009];

1 December 2009 [shall come into force on 1 January 2010];

25 November 2010 (Constitutional Court Judgment) [shall come into force on 30 November 2010];

16 June 2011 [shall come into force on 30 June 2011];

20 June 2019 [shall come into force on 1 August 2019];

3 December 2020 [shall come into force on 1 January 2021].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**State Audit Office Law**

**Chapter I**

**General Provisions**

**Section 1.** (1) The State Audit Office shall be the independent, collegial supreme audit institution in the Republic of Latvia.

(2) The State Audit Office shall be subject only to law.

(3) The State Audit Office shall conduct audits in accordance with the international standards on public sector auditing which conform to the requirements recognised and approved by the International Congress of Supreme Audit Institutions in relation to the work of the supreme audit institutions and the recognition of which in Latvia is determined by the Auditor General, and it shall act in accordance with all statutory procedures on the violations of legal provisions found during an audit.

[*20 June 2019*]

**Section 2.** (1) When conducting audits, the State Audit Office shall examine:

1) the revenue and expenditure of the budgetary resources of the State, local governments, and other derived public entities, the financial resources of capital companies of a public entity, public-private capital companies, private capital companies within the meaning of the Law on Governance of Capital Shares of a Public Person and Capital Companies, as well as the financial resources of the capital companies whose shares belong to capital companies of a public entity, public-private capital companies, private capital companies within the meaning of the Law on Governance of Capital Shares of a Public Person and Capital Companies;

2) use of the resources of the European Union and other international organisations or bodies which have been included in the state budget or local government budgets;

3) actions involving the property or a part of the property of the State, local governments, and other derived public entities, capital companies of a public entity, public-private capital companies, private capital companies within the meaning of the Law on Governance of Capital Shares of a Public Person and Capital Companies, as well as the property or a part of the property of the capital companies whose shares belong to capital companies of a public entity, public-private capital companies, private capital companies within the meaning of the Law on Governance of Capital Shares of a Public Person and Capital Companies.

(2) The activities of the State Audit Office shall aim at ascertaining that actions with the resources referred to in Paragraph one of this Section are regular, accurate, economic and efficient, and also providing recommendations for the elimination of the established deficiencies.

[*9 December 2004; 22 June 2005; 17 September 2009; 20 June 2019*]

**Section 3.** The State Audit Office shall:

1) submit to the *Saeima* an opinion and an audit report on the annual financial statement of the State every year by 15 October of the financial year following the reporting year;

11) in the year of the *Saeima* elections, submit to the *Saeima* an opinion and an audit report on the annual financial statement by 15 November of the financial year following the reporting year;

2) provide opinions on the accuracy of the drawing up of the annual financial statements of ministries and other central state institutions every year. If the annual financial statement has not been submitted to the State Audit Office within the time limit indicated thereby, the State Audit Office shall provide an opinion not later than within 60 days from the day of receipt of the relevant statement;

3) submit a report to the *Saeima* and the Cabinet:

a) on audits in the audited entities to which qualified or adverse audit opinions or disclaimers of opinions of the State Audit Office have been provided;

b) [20 June 2019];

c) on especially important and significant findings;

4) notify state institutions of the findings which affect the activities of such institutions, as well as law enforcement authorities of the violations of legal provision detected during an audit, and follow the progress of their examination;

41) propose the Cabinet to take measures for the assessment of the audit results of the State Audit Office;

42) co-operate with the committees of the *Saeima* by informing them of audit results, the elimination of the deficiencies detected during audits, and also the examination of the violations of legal provisions detected during an audit;

5) within the scope of its competence, co-operate with the authorities of the European Union and other international organisations or bodies, including by engaging in audits as an auditor of such organisations or authorities, and also co-operate with the supreme audit institutions of other countries, including by performing assessment of the activities of such institutions;

6) certify the heads of sectors and auditors of audit departments for the purpose of conducting audits of the State Audit Office.

[*9 December 2004; 22 June 2005; 17 September 2009; 20 June 2019; 3 December 2020 /* *New wording of Clause 1 shall come into force on 1 January 2023 and shall be included in the wording of the Law as of 1 January 2023.* *See Paragraphs 16 and 17 of Transitional Provisions*]

**Section 4.** (1) The State Audit Office shall be entitled to receive draft laws and regulations to be reviewed by the *Saeima* and the Cabinet and provide opinions thereon in the cases where the laws and regulations can affect the revenue and expenditure of the State and local governments or where they provide for actions with the property of the State and local governments, as well as with the funds allocated by the European Union and other international organisations or bodies and included in the state budget or local government budgets.

(2) Authorised agents of the State Audit Office shall be entitled to participate in the meetings of state authorities, organisations, and local government authorities in the capacity of advisors.

**Section 5.** The statutes approved by the Council of the State Audit Office shall determine the internal procedures of the State Audit Office.

[*22 June 2005*]

**Section 6.** The composition of the State Audit Office shall include the Auditor General, the Council of the State Audit Office, the audit departments (hereinafter – the audit department) and support units of the State Audit Office which ensure the organisational, financial and operational activities of the State Audit Office.

[*17 September 2009*]

**Section 7.** The State Audit Office shall inform the public of its activities through the mass media.

[*17 September 2009*]

**Chapter II**

**Auditor General**

**Section 8.** (1) The Auditor General shall:

1) represent the State Audit Office;

2) manage the work of the State Audit Office;

3) participate, in the capacity of an advisor, in meetings of the Cabinet;

4) chair the Council of the State Audit Office;

5) be the person implementing the budget of the State Audit Office;

6) sign the decisions of the Council of the State Audit Office;

7) authorise on a case-by-case basis an official or an employee of the State Audit Office to represent the State Audit Office;

8) hire the employees of the State Audit Office;

9) recommend for approval to the *Saeima* candidates for the office of a Member of the Council of the State Audit Office;

10) appoint directors of the audit departments of the State Audit Office and approve their job descriptions;

11) determine the standards on public sector auditing to be used in audits, as well as the audit methodology and requirements for the quality control of audits;

12) be responsible for the establishment of the internal control system and internal audit system.

(2) The Auditor General shall, once a year, report to the *Saeima* on the activities of the State Audit Office in accordance with the procedures laid down in the Rules of Procedure of the *Saeima*.

(3) The Auditor General shall examine administrative offence cases within the scope of his or her mandate.

[*22 June 2005; 17 September 2009; 20 June 2019*]

**Section 9.** During absence of the Auditor General, his or her duties shall be fulfilled by the member of the Council of the State Audit Office who has been appointed by the Auditor General for the whole term of office of the abovementioned member of the Council of the State Audit Office. If this member of the Council of the State Audit Office is also absent, the duties of the Auditor General shall be fulfilled by the member of the Council – the director of the audit department who holds the office for the longest time.

**Chapter III**

**Council of State Audit Office**

**Section 10.** The Council of the State Audit Office shall be composed of the Auditor General and six members of the Council of the State Audit Office who hold the offices of audit department directors.

[*22 June 2005*]

**Section 11.** The Council of the State Audit Office shall:

1) approve the statutes and other statutory provisions that regulate the internal procedures of the State Audit Office;

2) approve the annual audit plan and the strategic development plan;

3) decide on the division of the audit areas among the audit departments;

4) decide upon matters proposed by the members of the Council of the State Audit Office and directors of audit departments;

5) decide on the submission of application to the Constitutional Court;

6) approve the opinion referred to in Section 3, Clause 1 of this Law and decide on the submission thereof to the *Saeima*;

7) establish an attestation commission and approve the statutes of such commission by determining its area of responsibility;

8) make a decision in relation to appeals which have been submitted regarding the decision of the audit department by which an audit report or opinion has been approved;

9) review and make decisions on such audit reports on which the audit department has not taken a decision because of difference of opinions (Section 20, Paragraph three). The director of the audit department who has previously participated in the revision of the audit report is entitled to participate in the Council meeting, however, shall not participate in the voting;

10) approve the budget request of the State Audit Office;

11) approve the structure, the list of staff positions, the job qualification requirements of the State Audit Office;

12) [17 November 2009];

13) determine the remuneration of the officials and employees of the State Audit Office in accordance with the Law on Remuneration of Officials and Employees of State and Local Government Authorities;

14) approve the statutes for the certification the heads of sectors and auditors of the audit department, and the composition of the certification commission.

[*22 June 2005; 17 September 2009; 1 December 2009; 20 June 2019*]

**Section 12.** (1) Meetings of the Council of the State Audit Office shall be closed.

(2) A meeting of the Council of the State Audit Office shall have a quorum when the chairperson of the Council or the acting chairperson and at least three members of the Council participate in the meeting. Matters shall be decided by a majority vote of the members present. In the event of a tied vote, the vote of the chairperson shall be decisive.

(3) Minutes shall be taken of the meetings of the Council of the State Audit Office.

[*9 December 2004; 20 June 2019*]

**Chapter IV**

**Audit Departments**

**Section 13.** Audit work shall be divided among the audit departments of the State Audit Office based on a decision of the Council of the State Audit Office.

**Section 14.** Audit departments shall conduct audits according to the annual audit plan approved by the Council of the State Audit Office.

**Section 15.** The audit department shall shall be composed of the director of the audit department and audit sectors.

[*22 June 2005*]

**Section 16.** (1) [17 September 2009]

(2) In the absence of the director of the audit department, his or her duties shall be fulfilled by the director of another audit department or the head of the sector within the same audit department who has been authorised for such period by the Auditor General.

[*22 June 2005; 17 September 2009*]

**Section 17.** The director of the audit department shall:

1) manage the work of the department and determine the operational strategy for auditing;

2) organise the staff resources of the department in such a manner as to ensure the performance of work according to the approved annual audit plan of the State Audit Office and the auditing standards and methodology applied by the State Audit Office;

3) supervise the planning of audits;

4) examine draft audit reports, audit reports and opinions, sign them and send them to the audited entity;

5) supervise the work of the sectors;

6) fulfil other duties in accordance with the job description.

[*22 June 2005; 17 September 2009; 20 June 2019*]

**Section 18.** (1) The audit department shall be divided in sectors.

(2) The composition of the sector shall include the head of sector and auditors of the State Audit Office.

(3) [17 September 2009]

[*22 June 2005; 17 September 2009*]

**Section 19.** The head of sector of the audit department shall:

1) manage the work of the sector and implement the common audit strategy of the sector according to the auditing standards and methodology applied by the State Audit Office;

2) ensure the planning of audits;

3) represent the State Audit Office in discussions with the audited entity in relation to the conducted audit;

4) supervise the process of obtaining audit evidence and, if necessary, also get involved in the audit;

5) review the draft audit reports, audit reports and opinions, and sign them;

6) fulfil other duties in accordance with the job description.

[*22 June 2005; 17 September 2009; 20 June 2019*]

**Chapter V**

**Competence of the Audit Department**

[*22 June 2005*]

**Section 20.** (1) The decision of the audit department by which an audit report is approved shall be taken by the director of the audit department and the head of sector of the audit department who is responsible for the particular audit.

(2) [17 September 2009]

(3) Should a difference of opinions occur, the audit report shall be transferred for examination and deciding to the Council of the State Audit Office. The decision of the Council of the State Audit Office shall enter into effect on the day when it is taken.

[*22 June 2005; 17 September 2009*]

**Section 21.** The director of the audit department and head of sector of the audit department shall:

1) decide on the division of the audit work among the sectors;

2) develop the draft annual audit plan;

3) examine draft reports to be submitted to the *Saeima* and the Cabinet.

[*22 June 2005*]

**Section 22.**

[22 June 2005]

**Chapter VI**

**Chancellery of the State Audit Office**

[22 June 2005]

**Chapter VII**

**Officials and Employees of the State Audit Office**

[*17 September 2009*]

**Section 25.**

[17 September 2009]

**Section 26.** (1) The Auditor General shall be appointed to office by the *Saeima* for four years in accordance with the procedures provided for in the Rules of Procedure of the *Saeima*.

(2) Upon assuming office, the Auditor General shall give the following oath (solemn undertaking) in the *Saeima*: “I do hereby solemnly swear (promise) to be loyal to the Republic of Latvia, to comply with its laws and to fulfil my duties in good faith.”

(3) The same individual may not hold the office of the Auditor General for more than two consecutive terms.

(4) If, upon the expiration of the term of office of the Auditor General, the newly appointed Auditor General has not given the oath (solemn undertaking) in the *Saeima*, the term of office of the existing Auditor General shall continue until the day when the newly appointed Auditor General gives the oath (solemn undertaking) in the *Saeima*.

[*9 December 2004*]

**Section 27.** (1) Members of the Council of the State Audit Office shall, upon recommendation of the Auditor General, be approved by the *Saeima* for four years.

(2) Members of the Council of the State Audit Office may be approved to the office repeatedly, but for not more than two consecutive terms.

[*22 June 2005*]

**Section 27.1** (1) Member of the Council of the State Audit Office shall, after approval in the *Saeima*, be appointed to the office of the director of the audit department of the State Audit Office by the Auditor General for four years.

(2) Where the member of the Council of the State Audit Office has been approved in office by the *Saeima* repeatedly, the Auditor General shall appoint the relevant member of the Council of the State Audit Office to the office of the director of the audit department of the State Audit Office repeatedly, but for not more than two consecutive terms.

(3) The Auditor General shall hire the heads of sectors of the audit departments in conformity with the opinion of the attestation commission.

[*22 June 2005; 17 September 2009*]

**Section 28.**

[22 June 2005]

**Section 29.** (1) The Auditor General prior to the term specified in Section 26, Paragraph one of this Law, as well as members of the Council of the State Audit Office prior to the term specified in Section 27, Paragraph one of this Law may be removed from office by the *Saeima* only on the basis of a court judgment in a criminal case.

(2) The Auditor General and members of the Council of the State Audit Office may submit to the *Saeima* a submission for resignation from office.

[*22 June 2005*]

**Section 29.1** The head of sector of the audit department of the State Audit Office shall be removed from the office if the Auditor General has established violation of one of the restrictions in Section 30, Paragraph two of this Law, or based on the opinion of the attestation commission on his or her unsuitability for the office held.

[*22 June 2005*]

**Section 30.** (1) Candidate for the office of the Auditor General, Member of the Council of the State Audit Office, the Head of Sector of the audit department may be an individual who:

1) is a citizen of Latvia;

2) is fluent in the official language;

3) has acquired higher education and whose professional qualification and work experience of the last five years are appropriate for the performance of the tasks of the State Audit Office;

4) [22 June 2005].

(2) Candidate for the office of the Auditor General, Member of the Council of the State Audit Office, Head of Sector of the audit department may not be an individual who

1) has attained the retirement age specified in law;

2) has been a member of the Cabinet during the last three years;

3) has held an elected office in political organisations (parties) within the last three years;

4) has been convicted of committing an intentional criminal offence (regardless of whether or not the conviction is extinguished or expunged);

5) has previously committed an intentional criminal offence, but has been released from serving the sentence because of the expiration of the limitation period, amnesty or clemency;

6) is or has been an employee or supernumerary of the security service, intelligence or counter-intelligence service of the U.S.S.R., Latvian S.S.R. or a foreign country, or an agent, resident or keeper of safe houses of the abovementioned institutions;

7) is or has been a participant (member) of organisations prohibited by the laws of the Republic of Latvia by decisions of the Supreme Council or by court rulings after the prohibition of such organisations.

(3) [*Paragraph shall come into force on 1 January 2023 and shall be included in the wording of the Law as of 1 January 2023 /* *See Paragraph 12 of Transitional Provisions*]

[*9 December 2004; 22 June 2005*]

**Section 31.** The Auditor General, a member of the Council of the State Audit Office, the head of sector of the audit department shall cease the membership in political organisations (parties) during their term of office.

[*22 June 2005*]

**Chapter VIII**

[17 September 2009]

**Section 32.**

[17 September 2009]

**Section 33.** Depending on their qualification and duration of holding the office in the State Audit Office, the auditors of the State Audit Office may qualify for the office of the Senior State Auditor, State Auditor and Assistant State Auditor.

**Section 34.** The restrictions specified for the candidates to the position of an official of the State Audit Office in Section 30, Paragraph two, Clauses 4, 5, 6, and 7 of this Law shall apply to the candidates for the position of an Auditor of the State Audit Office.

**Section 35.** Employees of the State Audit Office comply with the requirements as stipulated in the employment contracts and the duties determined in the job description.

**Section 36.** (1) The State Audit Office may terminate employment relationships with an employee in the cases specified by the Labour Law and if:

1) the employee has failed to comply with the provisions of Section 59 of this Law;

2) a disreputable action or an offence that is not compatible with the position of an employee of the State Audit Office has been established.

(2) In addition to the cases specified in Paragraph one of this Section, the State Audit Office may terminate employment relationship with an auditor of the State Audit Office also in cases where the auditor has, upon taking up his or her office, concealed any of the restrictions specified in Section 34 of this Law.

**Section 37.** Employees of the State Audit Office shall be hired and dismissed by the Auditor General in accordance with the requirements of the Labour Law.

[*22 June 2005*]

**Section 37.1** A certificate issued by the certification commission of the State Audit Office shall confirm the knowledge and skills of the head of sector and an auditor of the audit department for conducing the audits of the State Audit Office. The certificate shall be issued for a period of three years.

[*20 June 2019*]

**Section 37.2** The decision of the certification commission may be appealed to a court in accordance with the procedures laid down in the Administrative Procedure Law.

[*20 June 2019*]

**Section 37.3** The State Audit Office shall ensure that information is accessible to the general public regarding the valid certificates issued to the heads of sectors and auditors of the audit departments for conducting the audits of the State Audit Office.

[*20 June 2019*]

**Chapter IX**

**Social Guarantees and Legal Protection of the Officials and Employees of State Audit Office**

[1 December 2009]

**Section 38.** [1 December 2009]

**Section 39.** [1 December 2009]

**Section 40.** [1 December 2009]

**Section 41.** [1 December 2009]

**Section 42.** [1 December 2009]

**Section 43.** [1 December 2009]

**Section 43.1** [1 December 2009]

**Chapter X**

**Procedures for the Financing of the State Audit Office and Auditing Its Annual Financial Statements**

**Section 44.** (1) The State Audit Office shall be financed from the state budget.

(2) [16 June 2011]

[*16 June 2011*]

**Section 45.** (1) A certified auditor or a company of certified auditors which is selected by the *Saeima* through a competitive procedure shall audit of the annual financial statement of the State Audit Office.

(2) The State Audit Office shall submit the annual financial statement thereof supported by the opinion of a certified auditor (company of certified auditors) to the *Saeima* and to the Treasury for the preparation of the annual financial statement of the State.

**Chapter XI**

**Audit of State Audit Office**

**Section 46.** (1) The following audited entities shall be subject to the audit of the State Audit Office:

1) state institutions;

2) capital companies of a public entity, public-private capital companies, and private capital companies within the meaning of the Law on Governance of Capital Shares of a Public Person and Capital Companies;

21) capital companies whose shares belong to capital companies of a public entity, public-private capital companies, or private capital companies within the meaning of the Law on Governance of Capital Shares of a Public Person and Capital Companies;

3) local governments and institutions and commercial companies established by such local governments;

4) other commercial companies, associations and foundations, and natural persons in the cases where:

a) they have at their disposal or keeping the state or local government funds;

b) they are financed from the state or local government funds or funds guaranteed by them;

c) they perform state or local government procurement;

5) they are users of the funds allocated by the European Union and other international organisations or bodies and included in the state budget or in local government budgets.

(2) The State Audit Office shall not audit the *Saeima*.

[*9 December 2004; 17 September 2009; 20 June 2019*]

**Section 47.**

[22 June 2005]

**Section 48.** The State Audit Office shall determine the audited entity, the time and duration, type, and subject matter of the audit, and shall inform the audited entity thereof.

[*20 June 2019*]

**Section 48.1** [*Section shall come into force on 1 January 2023 and be included in the wording of the Law as of 1 January 2023 /* *See Paragraph 12 of Transitional Provisions*]

**Section 49.** (1) Where it is necessary for the performance of the task of the State Audit Office, the Auditor General, a member of the Council of the State Audit Office, the head of sector of the audit department and employees authorised by the Auditor General may visit the audited entities, institutions and enterprises (companies) irrespective of their subordination and ownership and request all necessary information without any hindrance.

(2) The authorised officials and employees of the State Audit Office shall have the right to access all the information deemed necessary by the State Audit Office for carrying out the audit at the audited entity.

[*22 June 2005; 20 June 2019*]

**Section 49.1** (1) If personal data is processed for the performance of the audit task of the State Audit Office, the rights of the data subject specified in Articles 15, 16, and 18 of Regulation (EU) No 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) may be restricted, insofar as they may endanger or significantly hinder the achievement of the objectives of the audit and deviations are necessary for the achievement of such objectives.

(2) The State Audit Office shall determine the purpose for the processing of personal data, the categories of data processing and the period of data storage according to the objective of the audit.

(3) The State Audit Office shall ensure data storage and guarantees of data protection, taking into account the nature, audited area, and purposes of data processing or processing categories in accordance with the requirements of the General Data Protection Regulation.

[*20 June 2019*]

**Section 50.** Upon request of the State Audit Office, banks and other credit institutions have an obligation to provide the State Audit Office with the information requested by it in the amount and in accordance with the procedures laid down in the Credit Institution Law regarding the accounts and transactions made by the audited entities if such is necessary for conducting the audit.

**Section 51.** Files of the audited entities which, in accordance with the laws and regulations, contain official secrets or restricted access information shall be examined for each separate case by the employees authorised by the State Audit Office who shall notify the audited entity thereof in advance.

**Section 52.** The State Audit Office shall have the right to engage experts in an audit.

**Section 53.** A draft audit report of the State Audit Office shall be prepared on the basis of the findings established during the audit and the documents examined, and the report shall be sent to the audited entity by determining the time period for the submission of clarifications. Time limit for the submission of clarification regarding the draft audit report shall not be less than 10 working days.

[*22 June 2005; 20 June 2019*]

**Section 54.** (1) An audit report shall be prepared on the basis of the draft audit report of the State Audit Office and the written clarifications by the audited entity appended thereto, but in cases where the audit is conducted for determining the accuracy of the drawing up of the annual financial statement of the State in accordance with the tasks specified for the State Audit Office in Section 3, Clauses 1 and 2 of this Law – also an opinion.

(2) If the audit for determining the accuracy of the drawing up of the annual financial statement of the State is conducted in addition to the cases provided for in Section 3, Clauses 1 and 2 of this Law, the State Audit Office shall decide on the necessity of an opinion.

[*22 June 2005; 17 September 2009*]

**Section 55.** (1) An audit shall be closed by the audit department taking the decision to approve the audit report. Such decision shall be sent to the audited entity. The decision shall enter into effect 15 days after the day of its taking if unless appealed the Council of the State Audit Office.

(2) The Council of the State Audit Office shall examine an appeal against the decision of the audit department and take a decision thereon within 30 days after receipt of the appeal. If the time limit cannot be complied with due to unbiased reasons, the Council of the State Audit Office may extend it for a period not exceeding six months, notifying the submitter of the appeal thereof.

(3) The decision of the Council of the State Audit Office on the reasoned appeal of the individual or audited entity shall enter into effect on the day when it is taken.

[*22 June 2005; 17 September 2009*]

**Section 56.** The State Audit Office shall have the right to provide recommendations to audited entities for the elimination of the detected deficiencies, and to specify a time limit by which the audited entity shall notify in writing of the elimination of the deficiency.

[*22 June 2005*]

**Section 57.** The State Audit Office shall send the audit report of the State Audit Office to the audited entity, to the minister of the relevant sector and the Minister for Finance, but in cases when an audit for the determining the accuracy of the drawing up of the annual financial statement of the State and the statement on the financial year has been conducted, shall also send an opinion.

[*17 September 2009*]

**Section 57.1** After the decision to approve the audit report has entered into effect, the State Audit Office shall take the measures specified in this Law to inform the competent authorities of the violations of legal provisions detected during an audit, to follow the progress of their examination, and shall also decide on the recovery of the losses caused as a result of the unlawful actions detected during the audit.

[*20 June 2019*]

**Section 58.** (1) The State Audit Office shall disclose the opinion of the closed audit and audit report after it has entered into effect, and the opinion referred to in Section 3, Clause 1 of this Law – after the submission thereof to the *Saeima*.

(2) Opinions and data of a closed audit shall not be disclosed if they contain restricted access information or an official secret specified in laws and regulations.

[*17 September 2009*]

**Section 59.** Officials and employees of the State Audit Office are not entitled to disclose information which has become known to them while fulfilling their official duties without the permission of the Auditor General.

**Section 60.** After the Council of the State Audit Office has approved the annual audit plan, the Auditor General shall send the *Saeima* an expanded report on the planned audit directions, without identifying the audited entities.

[*22 June 2005*]

**Chapter XII**

**Rights of an Audited Entity**

**Section 61.** An audited entity shall have the right to receive and review an audit engagement document.

**Section 62.** An audited entity shall be entitled to express its position regarding a draft audit report and to submit clarifications.

[*22 June 2005*]

**Section 63.**

[22 June 2005]

**Section 64.** (1) An audited entity or another State or local government authority to which the statements in an audit report applies shall be entitled to appeal the decision to approve the audit report to the Council of the State Audit Office. An individual is entitled to appeal the decision to approve the audit report to the Council of the State Audit Office if it directly affects the rights or legal interests of such individual. The decision to approve the audit report may be appealed to the Council of the State Audit Office within 15 days after it was taken.

(2) The submitter of the appeal or the authorised representative thereof shall have the right to participate in the meeting of the Council of the State Audit Office in which the appeal referred to in Paragraph one of this Section is examined and to provide clarifications regarding the findings of the audit and the examined documents which the audited entity has submitted to the State Audit Office during the the audit.

(3) [17 September 2009]

[*22 June 2005; 17 September 2009; 20 June 2019*]

**Section 65.** If the Council of the State Audit Office has rejected the appeal submitted in accordance with the procedures laid down in Section 64 of this Law, and if the Council of the State Audit Office has taken a decision in accordance with Section 20, Paragraph three of this Law and by this decision the rights and legal interests of an individual are directly affected, the relevant individual shall have the right to appeal the decision of the Council of the State Audit Office in accordance with the procedures laid down in the Administrative Procedure Law. Submission of an application to the court shall not suspend the operation of the decision of the Council of the State Audit Office.

[*17 September 2009*]

**Chapter XIII**

**Obligations of an Audited Entity**

**Section 66.** An audited entity shall have an obligation to provide employees authorised by the State Audit Office with workspace and conditions appropriate for work during the audit.

**Section 67.** An audited entity must submit to the State Audit Office all the accounting registers and documents related to the audit, as well as all the information and clarifications related to the audit in accordance with the procedures and within the time limits specified by the State Audit Office.

**Section 67.1** (1) The ministries and other central state institutions shall, in accordance with the procedures laid down in Section 67 of this Law, submit the annual financial statement and a confirmation of the true and fair view of the information provided in the annual financial statement to the State Audit Office.

(2) An audited entity shall, in accordance with the procedures laid down in Section 67 of this Law, submit a confirmation of the true and fair view of the information provided in audits to the State Audit Office.

[*17 September 2009; 20 June 2019*]

**Section 68.** [20 June 2019]

**Chapter XIV**

**Decision on the Recovery of Losses**

[*10 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 69.** If unlawful actions involving funds or property are established during an audit, the audit department shall, after the decision to approve the audit report has entered into effect, submit a proposal to the Council of the State Audit Office to decide on the reimbursement of the losses caused as a result of the unlawful actions, indicating the individuals against whom the recovery of losses should be directed, the amount of losses caused by each person, and the grounds for the recovery of losses from the particular person.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 70.** The decision referred to in Section 69 of this Law shall be taken in relation to the audited entity which is a public entity, its body, or a capital company controlled by a public entity.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 71.** (1) The Council of the State Audit Office shall evaluate the proposal submitted in accordance with the procedures laid down in Section 69 of this Law and take the decision to initiate the reimbursement of the losses caused as a result of unlawful actions by sending it to the audited entity and its supreme institution (shareholder). The decision is a an interim decision and shall not be subject to appeal.

(2) The supreme institution (shareholder) shall, within three weeks after receipt of the decision of the Council of the State Audit Office, inform the audited entity and the State Audit Office as to whether it will assess the liability of officials and employees of the audited entity. If a supreme institution (shareholder) has informed the audited entity and the State Audit Office that it will not assess the liability of officials and employees of the audited entity, the audited entity shall make it and inform the State Audit Office and also the supreme institution (shareholder) of the results of the assessment in accordance with the procedures laid down in this Law.

(3) If the supreme institution (shareholder) assesses the liability of officials and employees of the audited entity, it shall be subject to the provision of this Chapter regarding the audited entity.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 72.** An audited entity shall assess the liability of officials and employees within six months after receiving the decision of the State Audit Office to initiate the reimbursement of the losses caused as a result of unlawful actions, and shall submit the following to the State Audit Office:

1) information regarding the amount of losses and other circumstances related to the case;

2) information regarding the individuals (regardless of whether such individuals were indicated in the decision referred to in Section 69 of this Law) from whom losses have been recovered fully or partly or against whom proceedings for the recovery of losses have been initiated, or with whom the agreement for voluntary reimbursement of losses has been entered into;

3) a reasoned proposal to terminate the administrative case and not to enforce the recovery of losses if the preconditions for the recovery of losses provided for in the law have not been found or a limitation period has set in;

4) a reasoned proposal to suspend the recovery of losses until taking of a decision according to the procedures of criminal proceedings, in the administrative offence case, or in a disciplinary matter.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 73.** The State Audit Office shall review the information received in accordance with the procedures laid down in Section 72 of this Law and, if necessary, request additional information. The audited entity and other institutions referred to in Section 49 of this Law, and any individual shall have an obligation to provide the State Audit Office the information requested thereby. An employee authorised by the Auditor General shall be entitled to visit the audited entity and to receive documents, as well as clarification from any individual for the preparation of the decision.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 74.** In a case initiated by the State Audit Office regarding the recovery of losses, the individual against whom an administrative case has been initiated has the right to participate in the meeting of the Council of the State Audit Office in person or through the intermediation of a representative and to provide clarifications, as well as has other rights specified in the Administrative Procedure Law.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 75.** Within four months from the day of receiving the information referred to in Section 73 of this Law and upon its own initiative or upon request of the audited entity, the Council of the State Audit Office shall take a decision by assessing the opinion of the individual as follows:

1) to suspend the recovery of losses if criminal proceedings regarding the relevant unlawful action have been initiated or if it is useful before a disciplinary case or an administrative offence case in which establishment of the same facts is necessary has been examined;

2) to suspend examination of the matter until the audited entity has taken the activities specified in laws and regulations in order for it to recover losses on its own or to reach the agreement on the voluntary reimbursement thereof;

3) not to recover losses because:

a) the preconditions for the recovery of losses provided for in the Law have not been established;

b) a limitation period has set in;

c) the recovery has been or is being made under other proceedings fully or partly;

d) the agreement for the full or partial voluntary reimbursement of losses has been reached;

4) to recover losses in the amount of the difference between the current and previous value of the property when the preconditions for the recovery of losses provided for in the Law have been established.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 76.** If the decision to suspend the recovery until the day when a ruling in criminal proceedings, an administrative offence case, or a disciplinary case enters into effect has been taken, such decision shall also be sent to the individual against whom the recovery of losses is intended to be directed. The decision shall suspend the counting of the limitation period for the recovery of losses in accordance with the procedures laid down in this Law until a ruling in the administrative offence case or the disciplinary case or a decision to refuse to initiate or terminate criminal proceedings enters into effect. If a person is held criminally liable, the matter regarding the recovery of losses shall be examined in accordance with the procedures laid down in the Criminal Procedure Law.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 77.** After a ruling in an administrative offence case or a disciplinary case or a decision to refuse to initiate or terminate criminal proceedings has entered into effect, the State Audit Office shall request the audited entity to provide information regarding actions for the recovery of losses. If the audited entity has not commenced the recovery of losses or reached the agreement regarding voluntary reimbursement thereof within four months, the Council of the State Audit Office shall decide whether there are grounds for the recovery of losses, taking into account the conclusions of the relevant ruling regarding the liability of the individual and other factual and legal circumstances.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 78.** The decision on the recovery of losses may be appealed in accordance with the procedures laid down in the Administrative Procedure Law. If the decision on the recovery of losses has been taken, it shall be prepared and executed in accordance with the procedures laid down in the Administrative Procedure Law. After the recovery of losses, the State Audit Office shall transfer them into the revenue of the state basic budget or into the budget of the audited entity if the audited entity has an independent budget.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 79.** If the decision on the recovery of losses has become incontestable and the individual has not reimbursed the losses voluntarily in accordance with the procedures laid down in the Law, the State Audit Office shall publish information on its website indicating the given name, surname, and position of the person against whom the recovery is directed, as well as the subject matter of the infringement and the amount of losses. Information the publishing of which is prohibited by other laws shall not be published on the website. Such information shall be available on the website of the State Audit Office for not more than one year.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Section 80.** If losses have been caused to a private individual by the decision of the Council of the State Audit Office, they shall be reimbursed in accordance with the Law on Reimbursement of the Losses Caused by State Administration Institutions.

[*20 June 2019* / *See Paragraph 14 of Transitional Provisions*]

**Transitional Provisions**

1. With the coming into force of this Law, the law On the State Audit Office and the law On Audit Regulations of the State Audit Office are repealed.

2. The Council of the State Audit Office shall approve the statutes of the State Audit Office.

3. Section 44, Paragraph two of this Law comes into force concurrently with the relevant amendments to the law On Budget and Financial Management.

4. Section 50 of this Law comes into force concurrently with the relevant amendments to the Credit Institution Law.

5. Section 38 of this Law comes into force on 1 January 2003.

6. The terms “capital company” and “commercial company” in this Law shall also mean enterprises and companies.

[*9 December 2004*]

7. The terms “association” and “foundation” in this Law shall also mean public organisation and association of public organisations.

[*9 December 2004*]

8. The Council of the State Audit Office shall, within one month after coming into force of this Law, approve the statutes of the attestation commission and shall establish an attestation commission.

[*22 June 2005*]

9. Members of the college of the audit departments approved by the *Saeima*, shall fulfil the duties of the head of sector of the audit department for the remaining term of their mandate, but a positive opinion of the attestation commission shall be necessary to qualify for re-appointment after the term of office ceases.

[*22 June 2005*]

10. If a member of the college of the audit departments approved by the *Saeima* continues work in the State Audit Office as the head of sector after coming into force of the amendments to this Law that shall not be deemed to be resigning from office within the meaning of Section 43.1 of this Law. The allowance provided for in Section 43.1 of this Law may be received by a member of the college of the audit department who leaves office and does not continue working in the State Audit Office after coming into force of the amendments to this Law or resigns as the Head of Sector after the end of his or her mandate.

[*22 June 2005*]

11. In 2009, the remuneration (salary, allowances, etc.) specified in accordance with this Law shall be determined in accordance with the law On Remuneration of Officials and Employees of State and Local Government Authorities in 2009.

[*12 December 2008*]

12. Amendments regarding the supplementation of Section 29.1 of this Law with the words “or due to the fact that the head of sector of the audit department does not have a certificate for conducting audits of the State Audit Office”, regarding the supplementation of Section 30 with Paragraph three, and Section 48.1 shall come into force on 1 January 2023.

[*20 June 2019* / *The abovementioned amendments shall be included in the wording of the Law as of 1 January 2023*]

13. If a certificate for conducting audits of the State Audit Office has not been issued to the head of sector of the audit department by 31 December 2022, he or she may continue work with the State Audit Office in the position of an auditor.

[*20 June 2019*]

14. The provisions of Chapter XIV of this Law shall not be applicable in relation to audits which have been commenced until 31 July 2019.

[*20 June 2019*]

15. In 2020, the Auditor General shall provide the first report on the operation of the State Audit Office (Section 8, Paragraph two of this Law) for 2019.

[*20 June 2019*]

16. Amendment providing for new wording of Section 3, Clause 1 of this Law shall come into force on 1 January 2023.

[*3 December 2020 /* *Clause shall be included in the wording of the Law on 1 January 2023*]

17. The submission deadline laid down in Section 3, Clause 1 of this Law shall be applied for the first time in 2024 when submitting to the *Saeima* the opinion and audit report on the annual financial statement for 2023.

[*3 December 2020*]

This Law has been adopted by the *Saeima* on 9 May 2002.

President V. Vīķe-Freiberga

Riga, 29 May 2002