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Confirming the compliance of the Republic of Moldova with the international standards on the best public external audit practices, based on Article 72 paragraph (3) let. p) and Article 133 of the Constitution of the Republic of Moldova,

The Parliament passes the present organic law.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of the Law

This Law shall regulate:

a) the legal relationships that occur during the public external audit over the formation, management and use of public financial resources, and management of public assets;

b) the objectives, mandate, organization, duties, powers as well as other issues relevant to the work of the Court of Accounts.

Article 2. The Status of the Court of Accounts

(1) The Court of Accounts is the only state public authority that controls the formation, management and use of public financial resources and management of public property by carrying out external audit in the public sector as a Supreme Audit Institution and shall be legally protected against interference of law enforcement or control bodies.

(2) The Court of Accounts is a legal entity of public law, fully financed from the State budget and has its own stamp with the State Coat of Arms of the Republic of Moldova on it.

(3) The Court of Accounts is based in Chisinau municipality.

Article 3. Definitions

For the purpose of this law the following definitions shall be used:

audit – function of control and financial revision of an entity, where competent people collect and evaluate evidence to form an opinion, in all material aspects, on the extent of compliance of the things noticed with some predefined criteria;

public external audit – independent audit activity carried out by the Court of Accounts in the public sector in compliance with its own audit standards, approved on the basis of international standards of auditing (INTOSAI);

regulatory audit – attestation of the financial situation of the responsible audited entity, including the examination and assessment of financial statements and expression of opinions regarding these financial statements; attestation of the financial situation of the overall public administration; audit of financial systems and transactions, including the evaluation of the conformity with the applicable statute and regulations; audit of the situation of the internal control and of the internal audit functions, reporting of other situations that have appeared, are related with the audit, and are regarded by the Court of Account as appropriate.

performance audit – independent assessment of the activity of the audited entity and/or of a programme, on the basis of principles of economy, efficiency and effectiveness;

economy – minimization of costs of resources allocated for delivering the expected outcomes from an activity by maintaining the appropriate quality level of these outcomes;

efficiency – the relationship between the outcomes delivered and the resources used for their delivery;

effectiveness – the extent to which the objectives planned for each activity are met and the ratio of the planned outcomes to the actual outcomes of the respective activity;

public auditor – person employed by the Court of Accounts, who performs specific activities of external audit in the public sector;

audited entity – a legal entity or natural person, regardless of its ownership type and legal form of organization, responsible for the management of public financial resources and/or public assets, as well as the program or activity subject to public external audit by the Court of Accounts;

internal documents – the Court of Accounts documents, drafted in accordance with the current legislation and international auditing standards that define the requirements for the procedures and methods to be applied for the performance of audit functions, as well as the documents that determine the internal organization and management of the Court of Accounts;

audit opinion – auditor’s conclusion, expressed in writing, on the financial statements as regards their reality and compliance with the relevant applicable regulations;

audit report – written document, developed on the basis of the results of the assessment, conducted by auditors according to their competence;

international auditing standards – a set of concepts, guidelines, procedures, and methods recommended by international specialized institutions;

public financial resources – the money appropriated from the state budget, state social insurance budget, budgets of administrative-territorial units, compulsory health insurance funds, the funds from external credits contracted or guaranteed by the Government whose principal, interests and other related costs are paid from public funds, as well as the funds from credits and grants;

public property - all public rights and liabilities, which can be evaluated in money terms, regarded as a sum of highly inter-correlated assets and liabilities, owned by the State and/or administrative-territorial units.

Articolul 4. Objectives and Main Principles in Court of Accounts’ Activity

(1) The Court of Accounts has the following main objectives:

a) assessment of the regularity, legality, conformity, economy, efficiency, and effectiveness in the management of public financial resources and public property;

b) promotion of the internationally recognized standards on the transparency and accountability in the area of public financial management;

c) securing of transparency by informing the accountable public authorities and the public about its strategic and annual plans, findings and recommendations;

d) certification of the staff with functions of public auditor.

(2) In its activity the Court of Accounts shall comply with the following principles:

- a) legality;
- b) objectivity;
- c) independence;
- d) transparency.

Article 5. Legal Framework

(1) The Court of Accounts shall carry out its activity independently, in accordance with the Republic of Moldova Constitution, this law, other legal acts and international treaties, which the Republic of Moldova is party to.

(2) If the international treaties, which the Republic of Moldova is party to, set other provisions than those stipulated in this law, then priority shall be given to the provisions of the international treaties.

Article 6. The Independence of the Court of Accounts

(1) The Court of Accounts shall have organizational, functional, operational and financial independence according to this Law.

(2) In exercising its duties and powers, the Court of Accounts shall be independent and not subject to direction or control of any other natural person or legal entity.

(3) The Court of Accounts shall be non-political and shall neither support nor assist any political party.

Article 7. Documents of the Court of Accounts

(1) To secure the fulfillment of its duties, the Court of Accounts shall approve the following during the Plenary meeting:

- a) audit reports;
- b) internal documents.

(2) The decisions of the Court of Accounts on audit reports shall be formal and binding for all public authorities, legal entities and natural persons.

(3) The internal documents may be the following:

- a) normative-methodological;
- b) organizational-administrative.

(4) The internal documents may be drafted as manuals, audit guidelines, auditing standards in line with the international ones, regulations, guides and shall be binding for the Court of Accounts' staff.

Article 8. The Court of Accounts' Reports

(1) The Court of Accounts shall submit annually to the Parliament:

a) by 15 March, the financial report on the implementation of its own budget during the expired budget year;

b) by 15 July, the Report on the Management and Use of Financial Resources and Public Property, reviewed in the Plenary Meeting of the Parliament.

(2) The Court of Accounts may also submit to the Parliament other reports, which it believes are necessary to be submitted.

(3) The reports, indicated in para (1), shall be published in the Official Gazette of the Republic of Moldova within 15 days since their submittal to / review in the Parliament

Article 9. The Relationships of the Court of Accounts with Public Authorities and Other Institutions

(1) If needed, the Court of Accounts shall cooperate in its activity with public authorities, institutions, including law enforcement agencies with a view to settle their shared problems and shall do so by mutually following the legality and non-interference principles.

(2) According to the current laws, the Court of Accounts shall notify the law enforcement agencies of the identified infringements, which they are entitled to ascertain and review.

(3) In order to carry out its tasks, the Court of Accounts shall be entitled to request the materials drafted by public authorities, control and law enforcement agencies, and the latter shall submit them at the first request.

(4) If needed, the Court of Accounts may cooperate with national audit institutions or professional organizations.

Article 10. International Cooperation

(1) The Court of Accounts may participate in the activity of specialized international bodies and become their member.

(2) The Court of Accounts shall cooperate, within the limits of its competence, with Supreme Audit Institutions from other countries and other international organizations and institutions in its area of activity.

(3) The Court of Accounts may conduct joint audits with other Supreme Audit Institutions based on international treaties.

Article 11. The Funding of the Court of Accounts' Activity

(1) The Court of Accounts shall estimate the costs of its activity and plan its own annual budget and the budget for at least the following 2 years.

(2) The Court of Accounts shall have its own budget. The budget of the Court of Accounts shall be approved by the Parliament before 1 July of the current year.

(3) The Parliament shall submit to the Government the approved budget of the Court of Accounts to include it in the draft State Budget Law for the following budget year.

(4) The annual financial statements of the Court of Accounts shall be subject to external audit, be carried out, in accordance with the international standards of auditing, by an independent, renowned and experienced external audit organization selected by the Parliament based on a tender.

Chapter II

ORGANIZATION OF THE COURT OF ACCOUNTS

Section 1

Structure of the Court of Accounts. President and Plenary of the Court of Accounts

Article 12. Structure of the Court of Accounts

(1) The Court of Accounts is made up of the management, Plenary and staff.

(2) If needed, the Court of Accounts may have sub-divisions in the autonomous-territorial units with special statute, determined in accordance with the Republic of Moldova Constitution.

(3) Under the Court of Accounts may operate an Advisory Board, consisting of qualified practitioners and scientists from various areas. The Board's activity shall be governed by the regulations approved by the Plenary of the Court of Accounts.

Article 13. The Court of Accounts' Management

(1) The Court of Accounts shall be managed by the President of the Court of Accounts,

(2) In the absence of the President of the Court of Accounts, his/her duties shall be carried out by the Deputy President of the Court of Accounts.

Article 14. The Duties of the Plenary of the Court of Accounts

(1) The President of the Court of Accounts shall have the following duties:

a) manage the Court of Accounts in compliance with the legislation in force and organize its activity;

- b) approve the organizational structure and chart of positions of the Court of Accounts, appoint and dismiss, under the law, the staff of the Court of Accounts;
 - c) propose to the Plenary of the Court of Accounts candidates for the position of department directors;
 - d) sign the Court of Accounts' decisions;
 - e) represent the Court of Accounts in its relations with other national and foreign institutions;
 - f) manage the financial means in accordance with the approved budget of expenditures;
 - g) call and chair the meetings of the Plenary of the Court of Accounts;
 - h) approve the agenda for the meetings of the Court of Account's Plenary;
 - i) organize the performance of audits not included in the Activity Programme of the Court of Accounts;
 - j) approve the members of the audit teams;
- inform the Parliament about the vacant positions of members of the Court of Accounts;
- l) participate in the meetings of the Parliament and Government, as appropriate;
 - m) conclude Service Contracts with specialists in other areas;
 - n) apply disciplinary sanctions on the staff of the Court of Accounts;
 - o) exercise other duties stipulated by law.
- (2) In exercising his/her tasks, the President of the Court of Accounts shall issue orders and ordinances.

Article 15. The Plenary of the Court of Accounts

(1) The Plenary of the Court of Accounts is a collegiate body consisting of 7 members, including the President and Deputy President of the Court of Accounts.

(2) The judgments of the Court of Accounts' Plenary shall be issued in the form of Court of Accounts' Decisions.

(3) When taking the decisions, the Court of Accounts Plenary shall keep the secret of deliberations and vote.

(4) The meetings of the Court of Accounts Plenary shall be deliberative, if attended by at least 5 members of the Court of Accounts, and the Court Decision shall be approved with the vote of at least 4 members.

(5) The Plenary meetings shall be public and held in the Moldovan language.

(6) The President of the Court of Accounts may arrange closed-door meetings, if this is necessary to keep the state, commercial or other secrets protected by the law.

Article 16. The Duties of the Plenary of the Court of Accounts

The Plenary of the Court of Accounts shall have the following duties:

- a) to approve the policies and strategies of the Court of Accounts;
- b) to adopt the draft budget of the Court of Accounts;
- c) to review the audit reports;
- d) to approve manuals, audit standards, regulations, and guidelines;
- e) to approve multi-annual and annual Activity Programs of the Court of Accounts;
- f) to approve the criteria for recruitment, testing and promotion of the staff of the Court of Accounts;
- g) to appoint Directors of Departments;
- h) to approve the reports, stipulated in Article 8;
- i) to exercise other duties stipulated by the law.

Section 2

Members of the Court of Accounts

Article 17. The Requirements for Applying for the Position of Member of the Court of Accounts

- (1) A person may apply for the position of Member of the Court of Accounts, if he/she:
- a) is a citizen of the Republic of Moldova and does not hold the citizenship of another state;
 - b) holds a higher education degree in Economics, Finance or Law and whose professional qualifications and experience gained over the past 10 years is appropriate for the performance of Court of Accounts' tasks;
 - c) knows Moldovan language;
- (2) A person may not apply for the position of Member of the Court of Accounts, if he/she:
- a) reached the retirement age, specified in the law;
 - b) during the past years was member of the Government, manager of a central public authority or held another position of the highest importance, whose appointment or selection is regulated by the Republic of Moldova Constitution and organic laws, empowered with the tasks of managing public financial resources;
 - c) is condemned through a final and irrevocable court ruling or has outstanding criminal record;
 - d) is or has been a member of organizations, unauthorized under the law in the Republic of Moldova.

Article 18. The Appointment of the Members of the Courts of Accounts

(1) The President of the Court of Accounts shall be appointed by the Parliament for a five-year period, at the proposal of the Parliament Speaker, based on a majority vote of the elected Members of Parliament. The Parliament Speaker shall propose the candidate for the position of the President of the Court of Accounts after the compulsory consultation of the parliamentary factions.

(2) The members of the Court of Accounts shall be appointed by the Parliament, at the proposal of the President of the Court of Accounts, for a five-year mandate with the majority vote of the elected Members of Parliament.

(3) The mandate of Court of Accounts member may be renewed only once in succession.

(4) In the cases provided in Article 21, para (1), letter b), c) and d), the Parliament shall appoint for the remaining period of the Member's mandate the candidate proposed by the President of the Court of Accounts.

(5) The Deputy President of the Court of Account shall be appointed by the Parliament, at the proposal of the President of the Court of Accounts out of its members.

(6) The Members of the Court of Accounts shall declare their income and property under the laws in force.

Article 19. The Oath of the Members of the Courts of Accounts

(1) When taking the office the President, the Deputy President and the Members of the Court of Accounts shall swear the following oath before the Parliament: "I swear to faithfully serve the Republic of Moldova, to observe the Constitution and the laws of the Republic of Moldova, to protect the public property, democracy and the welfare of the people".

(2) The oath shall be sworn during the Parliament session, after the designation order is adopted.

Article 20. The Status of Member of the Court of Accounts

(1) The Members of the Court of Accounts shall be independent in carrying out their mandate and immovable during the mandate period. They have functions of public dignity through appointment and shall comply with the regulations of the law on public service.

(2) Upon designation as the Member of the Court of Accounts, the former shall be qualified as public auditors during the period of their mandate.

(3) The Members of the Court of Accounts may not be investigated, retained, or arrested unless requested by the Prosecutor General, with the consent of the Parliament.

(4) The position of the Member of the Court of Accounts shall be incompatible with any other remunerated activity, except for didactic, scientific and creative work.

(5) The Members of the Court of Accounts shall cease any political activity, including in political parties or other social and political organizations during the exercise of their mandate.

Article 21. The Termination, Revocation, and Suspension of the Mandate of the Member of the Court of Accounts

(1) The mandate of Court of Accounts member ceases upon:

- a) expiry of the period he/she was assigned for;
- b) revocation;
- c) deliberate resignation;
- d) decease.

(2) The mandate of the members of the Court of Accounts may be revoked in the following cases:

- a) loss of the Republic of Moldova citizenship;
- b) conviction through final and irreversible ruling of a court of law for a committed offence;
- c) inability, for health reasons, to perform his/her duties for more than 4 months consecutively;
- d) declared as missing, in accordance with the law;
- e) incompatibility with another remunerated activity;
- f) activities in a party or another social-political organization.

(3) The activity of the Court of Accounts member shall be suspended:

- a) upon initiation of criminal proceedings in his/her respect;
- b) when registered as a candidate for an elective position.

(4) The termination or suspension of the mandate of the Members of the Court of Accounts shall be approved through the Parliament Decision, at the proposal of the President of the Court of Accounts.

Article 22. The Rights, Obligations, and Responsibilities of the Members of the Court of Accounts

(1) The Court of Account Member shall have the right to:

- a) request from the Court of Accounts staff, within the limits of his/her competence, the needed information about audit materials, as well as verbal and written explanations;
- b) submit proposals aimed at enhancing the activity of the Court of Accounts.

(2) The Member of the Court of Accounts shall:

- a) manage the entrusted sector from the audit activity area;
- b) carry out his/her duties in an objective, unbiased, and law-respectful manner;
- c) participate in the meetings of the Court of Accounts Plenary and vote “for” or “against” the adoption of Court of Accounts’ documents;
- d) keep the secret of deliberation and vote;
- e) abstain from any activity or event that might run against the status of Member of the Court of Accounts.

(3) Besides the rights and obligations of a Member of the Court of Accounts, the Members of the Court of Accounts shall have the rights and obligations, stipulated for auditors in Article 26.

(4) The Member of the Court of Accounts shall not have the right to abstain from deliberating or voting, except for a case of conflict of interests.

Section 3

Staff of the Court of Accounts

Article 23. Staff of the Court of Accounts

(1) The Court of Accounts shall perform its duties with the help of audit, specialized and technical staff.

(2) The public audit and specialized staff shall fall under the public service legislation. The specialized staff shall assist the public audit staff in exercising the Court of Accounts' duties.

(3) The number of staff of the Court of Accounts shall be decided by the Parliament.

(4) The terms for the remuneration of the Court of Accounts' staff shall be specified in the law.

(5) The rights and obligations of the technical staff shall be regulated by the labor legislation.

(6) The Court of Accounts shall ensure the initial and ongoing training of the staff in accordance with the methods stated in the internal documents, approved by the Plenary of the Court of Accounts.

Article 24. Employment Conditions of the Court of Accounts' Staff

(1) The right to be an employee of the Court of Accounts shall be granted to citizens of the Republic of Moldova, provided that they:

- a) have full legal capacity;
- b) have no criminal record and have a good reputation;
- c) have a permanent residence in the Republic of Moldova;
- d) are medically capable to exercise the function.

(2) To be employed in the position of public auditor and member of the specialized staff, in addition to the conditions provided in para (1), the people should have higher education in the economic, financial, legal or other appropriate area to perform the tasks of the Court of Accounts.

Article 25 Public Audit Staff

(1) The public audit staff shall be certified in public audit area. The certification of auditors shall be carried out by a commission, created within the Court of Accounts, in the manner stated in the regulations approved by the Plenary of the Court of Accounts.

(2) In performing their audit duties the public audit staff of the Court of Accounts shall be independent, enjoy stability and follow this law and other regulatory acts approved by the Court of Account's Plenary for its implementation.

(3) In performing the audit, the public audit staff shall be impartial and objective, shall take into account the public interests and shall be free of any personal interest that may influence on the performance of his/her duties.

Article 26. The Rights and Obligations of the Public Audit Staff

(1) The public audit staff shall have the right:

a) to request and receive any documents, information or other materials that reflect the economic and financial activity of the audited entity, regardless of who the legal entity or natural person that owns them is;

b) during the performance of the work assignment to have free access on the premises, buildings and other spaces of the audited entity in order to check the existence and use of public financial resources or State property;

c) to request and receive, within at most 10 days since the request date, from managers and other responsible employees verbal and written explanations, copies of documents;

d) request and receive from the National Bank and commercial banks, where the State share in the statutory capital exceeds 50%, copies of the documents related to the conducted financial operations.

(2) The public audit staff shall:

a) perform audit activities in accordance with the legislation of the Republic of Moldova and international standards;

- b) comply with the Ethical Code of audit staff of the Court of Accounts and the Code of Conduct of Public Officers;
- b) improve their professional knowledge;
- d) perform other obligations stipulated in the public service legislation.

Article 27 Liability of the Public Audit Staff

For the committed offences the public audit staff shall bear administrative, civil and criminal liability in accordance with the law, being also subject to disciplinary sanction, including in the following cases:

- a) distortion of the results of the performed audits;
- b) submission of wrong data to the Court of Accounts and other bodies;
- c) infringement of the incompatibility provisions stated in the legislation on public service, as well as the interdictions stipulated in the Code of Ethics of the audit staff of the Court of Accounts;
- d) doing deeds that are harmful to the reputation of the institution.

Chapter III

AUDIT ACTIVITY OF THE COURT OF ACCOUNTS

Article 28. The Areas and Entities Subject to Audit

(1) To perform its duties, the Court of Accounts shall audit the following areas:

- a) the formation and use of state budget funds, state social insurance budget, budgets of the territorial-administrative units, budgets of the compulsory health insurance funds, including:
 - the formation, use and management of special funds as well as exchequer funds;
 - the formation and management of the public debt, compliance with the governmental guarantees for internal and external credits;
 - the use by public institutions, of grants and funds allotted by foreign donors for the implementation of programmes, which the Republic Moldova participates in;
 - the use of budget allocations for investments, subsidies, and other forms of government financial assistance;
- b) the implementation of intergovernmental economic and financial treaties;
- c) administration and management of public assets;
- d) the process of privatization of state assets and of ensuring the post-privatization activity;
- e) administration and management of natural resources;
- f) the use of state crediting and foreign exchange resources;
- g) the accounting records and financial reporting;
- h) the activity of other control/public financial audit bodies as well as the internal control systems;
- i) other types of activity referred to by organic laws to the competence of the Court of Accounts.

(2) The Court of Accounts may audit the use of resources, allocated by the European Union, development partners and other donors, whose resources were included in the state budget or budgets of administrative-territorial units.

(3) To perform its duties, the Court of Accounts shall audit the following areas:

- a) the central and local public administration authorities, other public authorities;
- b) the institutions and organizations financed from the national public budget;
- c) economic units, where the State has a full participation or its share in the statutory capital exceeds 50%;
- e) other entities, in accordance with the law.

Article 29. Cooperation According to the Competence

(1) When performing the audit, the Court of Accounts may contract or involve qualified specialists to assist it accordingly in the fulfillment of its tasks, as well as request some

specialized state institutions to carry out specialized verifications that will facilitate the clarification of some findings.

(2) If during the public audit some infringements are identified, which fall under the competence of the Prosecutor General's Office, Center for Combating Economic Crimes and Corruption, internal affairs bodies or other control or law enforcement bodies, a protocol shall be drafted for each individual case, which shall be submitted to the respective body that shall intervene on a priority basis.

(3) The Court of Accounts shall be entitled to request and use during its activity any control and audit materials drafted at the audited entity.

Article 30. The Audit Activity Program of the Court of Accounts

(1) The Court of Accounts shall decide independently on its Activity Program, and on the way of its implementation.

(2) The Audit Activity Program of the Court of Accounts shall be planned for one and/or three years.

(3) No public authority may request or force the Court of Accounts to change its Audit Activity Program, to carry out or stop certain audit activities.

(4) The Parliament or parliamentary factions may request the Court of Accounts to perform some audit work. The audit work may be requested without the decision of the Parliament, at the request of any Parliamentary faction, once a quarter.

Article 31. Types of Audit

(1) The Court of Accounts shall control the management and use of public financial resources and public property via:

- a) regularity audit;
- b) performance audit;
- c) other types of audit.

(2) The Court of Accounts shall carry out annually, on a compulsory basis, the audit of the Government reports on the execution during the expired budgetary year of:

- a) the state budget;
- b) the state social insurance budget;
- c) the compulsory medical insurance funds;

(3) While carrying out the audit activities the Court of Accounts shall decide independently on the type of audit.

Article 32. Audit Procedure

(1) The external public audit shall be performed according to the legislation of the Republic of Moldova, internal documents, own audit standards approved on the basis of the international auditing standards (INTOSAI).

(2) The external public audit shall be carried out in three stages:

a) planning stage, which includes the organization of the audit works in a well-determined area in the most appropriate and soundest manner, according to the internal acts;

b) the audit procedures stage, which includes the audit activity itself, carried out by assessing the results of the previous audits and collecting the needed audit evidence to express the audit opinion or draft the audit report;

c) reporting stage – the final stage of public audit, which aims at formulating in writing some conclusions on the financial situations of the audited entity. Depending on the type, the public audit shall be finalized with an audit report, in accordance with auditing standards.

Article 33. Auditors' Working Documents

(1) The auditors' working documents are the materials gathered and used by public auditors during the performance of the audit. Auditor's working documents are the following:

excerpts from the documents, notarized copies, certificates, explanations, tables, tests, descriptions, findings, proposals, etc.

(2) The working documents, indicated in para (1), shall be the ownership of the Court of Accounts and cannot be submitted to third parties without the consent of the President of the Court of Accounts, except for the cases provided for in the laws. The working documents shall be kept in archives, according to the procedures stipulated in the law.

Article 34. Audit Reports

(1) Depending on the type of the conducted audit, the audit teams shall draft audit reports. The structure/form of audit reports, as well as of the audit opinions, that are component part of the audit reports, shall be defined in the internal acts.

(2) The audit reports shall be signed by public auditors, responsible for the conduct of the audit.

(3) The audit reports shall be examined during the meetings of the Court of Accounts Plenary, where besides auditing and debating the report of the audited entity's responsible person and, if needed, of the opinion of experts and specialists from related areas, decisions are made that:

a) take an attitude in relation to the audit report;

b) decide to submit this report to the audited entity, hierarchically higher bodies, and other stakeholders, including the Parliament, Republic of Moldova President, Government, criminal prosecution bodies;

c) provide additional recommendation to the audited entity, besides the ones listed in the audit report;

d) make requests for the audited entity and other bodies and institutions;

e) set deadlines, by which information on the implementation of recommendations and requirements shall be received.

(4) The failure of the responsible people to participate in the examination of the audit reports without any justified reasons shall not hinder the adoption of the decisions, if the respective people were informed in the prescribed manner.

(5) The audit report may be rejected by the Court of Accounts Plenary in the following cases:

a) non-compliance with the standards and/or with the goal, provided in the audit program;

b) the impossibility to carry out or implement the recommendation, presented in the report;

c) submission of new evidence by the audited entity or another person.

(6) The Court of Accounts decisions on the audit reports may be appealed in the Chisinau Court of Appeal during 30 days since their approval. The applications for appeal, requiring a calculation of the prejudice or other negative consequences, resulting from the actions of the audited entity shall be examined by an independent expert team, consisting of uninterested specialists.

(7) The audit reports, as well as the Court of Accounts Decisions on their approval shall be published in the Official Gazette of the Republic of Moldova within 10 days following the expiration of the appellate term; in case of appeal they shall be published only after the adoption of the final court ruling.

Article 35. Rights and Liabilities of the Audited Entities

(1) The audited entities shall be entitled to:

a) know the audit goal;

b) receive from the auditor exhaustive information about the requirements of regulatory acts in force regarding the conduct of public audits and other acts, used by the auditor as a basis to express his/her opinion on the financial statements;

c) receive from the Court of Accounts or auditors recommendations on how to avoid the cases of transgressing the requirements of regulatory acts;

- d) participate, together with the audit team, in the development of draft audit reports and in the review of audit reports during the meeting of the Court of Accounts Plenary;
 - e) justifiably request the review of the audit report.
- (2) The audited entities shall:
- a) ensure the auditors' access to the premises and create proper working conditions;
 - b) submit, at the request of the Court of Accounts or auditor, the needed acts, documents, information and databases within the terms set by the Court of the Accounts;
 - c) make verbal and written explanations at the auditor's request;
 - d) submit, by the deadline set by the Court of Accounts, a written reference on the audit report, expressing the agreement or disagreement with it;
 - e) implement the recommendations and fulfill the requirements or other prescriptions, provided in the audit reports and/or decisions of the Court of Accounts.

Article 36. Implementation of the Recommendations and Fulfillment of the Requirements of the Court of Accounts

(1) The audited entities and other institutions, specified in the Court of Accounts decisions, shall inform about the implementation of recommendations and/or requirements of the Court of Accounts by the deadline set by the Court of the Accounts, and shall communicate the measures taken as a result.

(2) If the audited entity fails to implement the Court of Accounts Decision, as well as the obligation specified in para (1), thus transgressing the legislation, the Court of Accounts shall inform the hierarchically higher bodies and other competent bodies.

Chapter IV
FINAL AND TRANSITORY PROVISIONS

Article 37.

(1) This Law shall enter into force on 1 January 2009, except for Article 8 and Article 31 para (2) that shall enter into force on 1 January 2010.

(2) On the effective date of this law:

a) The Law no 312-XIII as of 08 December 1994 On the Court of Accounts shall be annulled;

b) the Court of Accounts members, appointed under the Law no. 312-XIII as of 08 December 1994 on the Court of Accounts shall stay in the office till the expiry of their mandate and obtain the quality of public auditors;

b) the employees of the Court of Accounts in the positions of directors of departments and heads of divisions with control function, employees in the position of senior state controllers and state controllers shall acquire the status of public auditors.

(3) The specialized staff of the Court of Accounts shall undergo a training period within the Court of Accounts, which shall finish with a test of the acquired knowledge and attestation.

(4) The controls and audits of the Court of Accounts carried out according to the Annual Activity Programme of the Court, approved before the enactment of this law, shall be carried out and finalized in accordance with the provisions of the Law no. 312-XIII of 08 December 1994 On the Court of Accounts.

(5) The Government, within 3 months from the enactment of this Law, shall develop and submit to the Parliament proposals on the amendment of the legislation in force in order to ensure their compatibility with this Law.

SPEAKER OF PARLIAMENT

Marian LUPU

Chisinau, 5 December 2008.

No 261-XVI.