



Czech Republic
Supreme Audit Office

ACT NO. 166/1993 COLL.
ON THE SUPREME AUDIT OFFICE

JANUARY 2025

CONSTITUTION OF THE CZECH REPUBLIC

CHAPTER 5

THE SUPREME AUDIT OFFICE

Article 97

- (1) The Supreme Audit Office is an independent body. It shall audit the management of state property and the implementation of the state budget.
- (2) The President and the Vice-President of the Supreme Audit Office shall be appointed by the President of the Republic on the proposal of the Chamber of Deputies.
- (3) The status, jurisdiction, organisational structure and other particulars of the Supreme Audit Office shall be defined by law.

SUPREME AUDIT OFFICE ACT No. 166/1993

of 20 May 1993

(as amended under Acts Nos: 331/1993, 117/1994, 224/1994, 58/1995, 236/1995, 296/1995, 148/1998, 132/2000, 220/2000, 442/2000, 239/2001, 127/2002, 282/2002, 179/2005, 413/2005, 23/2006, 342/2006, 227/2009, 465/2011, 239/2012, 255/2012, 78/2015, 302/2016, 325/2017, 46/2020, 417/2024 and 448/2024 Coll.)

The Parliament has enacted the following law of the Czech Republic:

PART ONE

INTRODUCTORY PROVISIONS

Section 1

(1) This Act governs the status, jurisdiction, organisational structure and activity of the Supreme Audit Office (hereinafter 'the Office').

(2) This Act also defines the rights and the duties of the President of the Supreme Audit Office (hereinafter 'the President of the Office'), of the Vice-President of the Supreme Audit Office (hereinafter 'the Vice-President of the Office'), of the Members of the Supreme Audit Office (hereinafter 'Members of the Office'), of the Board of the Supreme Audit Office (hereinafter 'the Board of the Office'), of the Senates of the Supreme Audit Office (hereinafter 'Senates of the Office'), of the Disciplinary Chamber of the Supreme Audit Office (hereinafter 'the Disciplinary Chamber of the Office'), and of the staff of the Office.

PART TWO

STATUS AND POWERS OF THE OFFICE

Section 2

- (1) The Office is an independent audit body of the Czech Republic.
- (2) The Office shall have its headquarters in Prague.
- (3) The Office may use the coat-of-arms of the Czech Republic.

Section 3

- (1) The Office shall audit:
 - (a) the management of state property and finances collected pursuant to the law for the benefit of legal persons, with the exception of finances collected by municipalities or regions under their independent jurisdiction;
 - (b) the state closing account;
 - (c) the implementation of the state budget;
 - (d) the management of finances provided to the Czech Republic from abroad and of finances for which the state has assumed guarantees;
 - (e) the issue and redeeming of government securities;
 - (f) the state procurement.
- (2) Save where special legislation provides differently, the Office shall carry out audit in the scope specified in paragraph 1 of:
 - (a) organisational units of the state;
 - (b) legal and natural persons.
- (3) The Office shall carry out audit of financial management of the Czech National Bank (CNB) in the area of expenditure on property acquisition and CNB's operations.

Section 4

- (1) When carrying out audits, the Office shall examine whether the audited operations conform to the legal regulations, shall review whether they are substantively and formally correct and shall examine whether they are effective, economical and efficient.
- (2) The ascertained facts shall be subject to audit by the Office irrespective of the type and degree of their confidentiality.
- (3) The result of an audit by the Office is an *audit report*. Audit reports are written reports summing up and evaluating the facts ascertained in the course of an audit carried out pursuant to this Act.

Section 4a

- (1) For the discharge of its competence pursuant to this Act, the Office receives reference data from the Register of Inhabitants. These data are as follows:
 - (a) surname;
 - (b) first name or names, as the case may be;
 - (c) residence address;
 - (d) date, place, and district of birth, as far as a person born abroad is concerned, the date, place, and country of birth will be provided;
 - (e) date, place, and district of death;
 - (f) citizenship or multiple citizenships, as the case may be.
- (2) For the discharge of its competence pursuant to this Act, the Office receives data from the agenda information system of the Register of Citizens of the Czech Republic. These data are as follows:
 - (a) first name or names, surname, maiden name;
 - (b) date of birth;
 - (c) place and district of birth, as regards a citizen of the Czech Republic

who was born abroad, the information on the place and country of birth is provided;

(d) permanent address including previous permanent addresses and, if relevant, the address where documents shall be sent under another legal provision;

(e) commencement of permanent residence and, if relevant, the date of invalidation of information on the place of permanent residence, or the date of termination of permanent residence on the territory of the Czech Republic;

(f) restrictions to legal capacity of persons, first name or names and surname of the guardian.

(3) Data that are given as reference data in the Register of Inhabitants are used from the agenda information system of the Register of Citizens only when they are in the form preceding the current state.

(4) For the discharge of its competence pursuant to this Act, the Office shall have access to the data from the information systems of public administration^{1a} and to the data from the information systems of the State Treasury^{1b}.

(5) Only those data that are indispensable to the performance of the given task may be used.

Section 5

(1) The Office shall draw up and submit to the Chamber of Deputies its opinion on the report on the development of the economy and on the implementation of the state budget and on the draft of the state closing account, including the list of audit conclusions on which the opinion is based.

(2) The Office shall submit to the Chamber of Deputies its opinions on the report on the development of the economy and on the implementation of the

1a Act No 365/2000 Coll., on information systems of public administration and on alternation of certain acts, as amended.

1b Section 33 and subsequent Act No 218/2000 Coll., on budgetary rules and on alternation of certain acts (Budgetary Rules), as amended.

state budget within one month after such a report was submitted to the Chamber of Deputies by the government.

(3) The Office shall submit to the Chamber of Deputies its opinion on the draft of the state closing account within four months after such a draft was submitted to the Chamber of Deputies by the government.

Section 6

When so requested by the Chamber of Deputies or by the Senate and their bodies, the Office shall draw up, within an agreed term, its opinion on proposed legal regulations concerning budget management, accounting, state statistics, and the performance of auditing, supervisory, and inspection activities.

PART THREE

ORGANISATION OF THE OFFICE

Section 7

Bodies of the Office

(1) The bodies of the Office are the President of the Office, the Vice-President of the Office, the Board of the Office, the Senates of the Office, and the Disciplinary Chamber of the Office.

(2) The arrangement of the bodies of the Office shall be governed by the organisational rules of the Office, the rules of procedure of the Board of the Office, the rules of procedure of the Senates of the Office, and the disciplinary rules.

The President and the Vice-President of the Office

Section 8

(1) The President of the Office shall direct the Office and act on its behalf, and shall preside over the Board of the Office and over the Disciplinary Chamber of the Office.

(2) The President of the Office shall submit to the Senate a list of candidates for Members of the Office for oversight of the financial management of political parties and political movements under the Act on Association in Political Parties and Political Movements.

(3) The President of the Office shall submit to the Government a proposal for the appointment of members of the Service Commission under the Civil Service Act.

(4) The President of the Office shall submit to the Board of the Office:

(a) the draft audit plan and changes thereto;

(b) the draft budget including changes thereto, budgetary measures and the closing account of the budget chapter of the Office;

(c) all audit reports underpinning the opinion on the draft of the state closing account;

(d) the draft of the annual report on the Office's work in the past financial year (hereinafter 'the annual report');

(e) the draft organisational and working rules of the Office, including amendments thereto;

(f) the draft rules of procedure of the Board of the Office and of the Senates of the Office, including amendments thereto;

(g) the draft disciplinary rules;

(h) suggestions from the Chamber of Deputies, the Senate, their bodies and the government.

(5) After consultation with the Board of the Office, the President of the Office shall approve the working rules of the Office.

(6) The President of the Office is entitled to attend meetings of the Chamber of Deputies, of the Senate, and of their bodies when they discuss audit reports, proposals, and opinions that are related to the Office's activity. If he or she requests to be given the floor, the request shall be granted.

(7) When the Chamber of Deputies, the Senate, or their bodies demand the presence of the President of the Office at their sessions, he or she shall attend such deliberations.

(8) The President of the Office is entitled to attend meetings of the government when audit reports and opinions on them are discussed. If he or she requests to be given the floor, the request shall be granted.

(9) If neither the President of the Office nor the Vice-President of the Office are exercising their office temporarily, the function of the President of the Office shall be always performed by the oldest Member of the Office.

Section 9

(1) The Vice-President of the Office shall stand in for the President of the Office to the full extent in the latter's absence.

(2) The Vice-President of the Office shall stand in for the President of the Office on the basis of the latter's authorisation in specific cases.

(3) The Vice-President of the Office shall exercise some of the powers of the President of the Office when the organisational rules of the Office so specify.

Section 10

(1) A citizen of the Czech Republic may be appointed President of the Office or Vice-President of the Office if he or she:

(a) is legally competent;

(b) has no criminal record, meets the conditions set by special legislation² and has the experience and moral qualities guaranteeing that he or she will properly perform his or her official duties;

(c) is a university graduate (has a master's degree);

(d) has reached the age of thirty-five.

² Act No 451/1991 Coll. which designates further preconditions for the tenure of office in state bodies and organisations of the Czech and Slovak Federal Republic, the Czech Republic and the Slovak Republic as amended.

(2) The term of office of the President of the Office and the Vice-President of the Office shall be nine years.

(3) The President of the Office and the Vice-President of the Office shall take their oath of office in person before the President of the Czech Republic.

(4) The oath of office of the President of the Office and of the Vice-President of the Office reads: 'I swear my allegiance to the Czech Republic. I swear to uphold its Constitution and its laws. I swear on my honour to exercise my office independently and impartially and not to abuse my position.'

(5) The President of the Office and the Vice-President of the Office shall assume their office upon taking their oath of office.

(6) The office of President of the Office and of the Vice-President of the Office is incompatible with the office of a deputy, a senator, a judge, or a state attorney, with any public administration office, with the office of a member of a territorial self-governing body, and with any office in political parties and movements.

(7) The President of the Office and the Vice-President of the Office may not hold any other paid office or perform any paid activity with the exception of scientific, educational, literary, publishing and artistic activities, provided that such activities do not bring the Office into disrepute or undermine confidence in the independence and impartiality of the Office and with the exception of holding a post of member of the Independent Authority for the Oversight of Intelligence Services of the Czech Republic in accordance with the Act on the Intelligence Services of the Czech Republic.

(8) The President of the Office and the Vice-President of the Office shall cease exercising their office upon:

(a) the expiration of their term of office;

(b) their dismissal by the President of the Republic on the proposal of the Chamber of Deputies;

(c) delivery of their letter of resignation to the President of the Republic;

(d) the finality of a court ruling restricting their legal capacity;

(e) the finality of a court ruling sentencing them for a crime.

(9) The Chamber of Deputies may propose to the President of the Republic to dismiss the President or the Vice-President of the Office solely:

(a) if they have not performed their official duties for more than six months;

(b) on the basis of a final decision of the Disciplinary Chamber of the Office proposing their dismissal.

Members of the Office

Section 11

(1) Members of the Office shall conduct audits, direct audit activities and draw up audit conclusions according to the audit plan, and shall take part in the work of the Senates of the Office and of the Board of the Office.

(2) The Member of the Office who draws up an audit conclusion shall rule on any objection to bias raised by the auditee against the respective auditor.

Section 12

(1) The Chamber of Deputies shall elect fifteen Members of the Office nominated by the President of the Office.

(2) If a post of Member of the Office becomes vacant, the President of the Office shall nominate a candidate for a new Member of the Office to the Chamber of Deputies within 40 days from the day the post became vacant. If the Chamber of Deputies does not elect a new Member of the Office, the President of the Office shall submit to the Chamber of Deputies a new proposal within 40 days from the day a new Member of the Office was not elected.

(3) A citizen of the Czech Republic may be elected a Member of the Office if he or she:

(a) is legally competent;

(b) has no criminal record, meets the conditions set by special legislation³ and has the experience and moral qualities guaranteeing that he or she will properly fulfil his or her official duties;

(c) is a university graduate (has a master's degree);

(d) has reached the age of thirty.

(4) Every Member of the Office shall take an official oath before the Chairman of the Chamber of Deputies.

(5) The oath of Members of the Office reads: 'I swear my allegiance to the Czech Republic. I swear to uphold its Constitution and its laws. I swear on my honour to exercise my office independently and impartially and not to abuse my position.'

(6) Members of the Office shall assume office upon taking their official oath.

(7) The office of a Member of the Office is incompatible with the office of a deputy or a senator, a judge, a state attorney, any public administration office, the office of a member of territorial self-governing bodies, and with any office in political parties and movements.

(8) A Member of the Office may not hold any other paid office or perform any paid activity with the exception of scientific, educational, literary, publication, and artistic activities, provided that such activities do not bring the Office into disrepute or do not undermine confidence in the independence and impartiality of the Office and with the exception of holding a post of a member of the Independent Authority for the Oversight of Intelligence Services of the Czech Republic, in accordance with the Act on the Intelligence Services of the Czech Republic.

(9) The office of a Member of the Office shall be terminated upon:

(a) delivery of his or her letter of resignation to the Chamber of Deputies;

³ Act No 451/1991 Coll. which designates further preconditions for the tenure of office in civil administration and organisations of the Czech and Slovak Federal Republic, the Czech Republic and the Slovak Republic as amended.

- (b) on reaching the retirement age for men according to special legislation;
- (c) dismissal by the Chamber of Deputies on the basis of a final decision of the Disciplinary Chamber of the Office proposing the dismissal;
- (d) the finality of a court ruling restricting his or her legal capacity;
- (e) the finality of a court ruling sentencing the Member for a wilful crime.

Section 13

Board of the Office

- (1) The Board of the Office consists of the President of the Office, the Vice-President of the Office and the Members of the Office.
- (2) The Board of the Office shall adopt its decisions by vote; a decision shall be adopted by majority of the present members of the Board. In the case of a split vote, the vote cast by the presiding member shall be decisive. The Board of the Office shall have a quorum when more than half of its members are present. Sessions of the Board of the Office shall be governed by the rules of procedure, which shall lay down, in particular, for the form of decision-making, the voting procedure and the manner in which minority views are published.
- (3) The Board of the Office shall approve:
 - (a) the audit plan;
 - (b) the draft budget of the Office submitted to the Chamber of Deputies, changes thereto, budgetary measures, the closing account of the state budget chapter of the Office and the financial statements of the Office drawn up as of the balance sheet date;
 - (c) all audit reports on which the opinion on the draft state closing account is based;
 - (d) the annual report;

- (e) the audit reports it sets for itself when approving the audit plan or those assigned to it by the President of the Office;
 - (f) the rules of procedure of the Board of the Office and of the Senates of the Office;
 - (g) the organisational rules and amendments thereto;
 - (h) the disciplinary rules.
- (4) The Board of the Office shall decide on:
- (a) appeals contesting rulings on objections filed against audit protocols;
 - (b) objections to bias, provided that the objection was filed by the auditee against a Member of the Office; such Member of the Office shall be excluded from the vote on the objection to bias.
- (5) The Board of the Office shall consider the drafts of the working rules of the Office submitted by the President of the Office and shall recommend approval of such drafts.

Section 14

Senates of the Office

- (1) Senates of the Office are collective bodies of the Office made up of three or more Members of the Office. They shall decide by a vote of all their members; a decision shall be adopted when it is approved by the majority of the members of the respective Senate. Sessions of the Senates of the Office shall be governed by their rules of procedure, which shall lay down, in particular, the form of decision-making, the voting procedure and the manner in which minority views are published.
- (2) Senates of the Office shall be established by the Board of the Office when it approves the audit plan. A Senate of the Office shall be chaired by a Member of the Office appointed by the Board of the Office.
- (3) Senates of the Office shall approve the audit reports for which they were established.

(4) Senates of the Office shall rule on appeals filed against rulings on objections regarding audit protocols that serve as the basis for the audit reports within the competence of the respective Senate.

Section 15

Auditors

Audits shall be carried out by auditors. Save where this Act provides differently, auditors shall be covered by the provisions of the Labour Code.

PART FOUR

WORK OF THE OFFICE

Section 16

International cooperation

(1) The Office shall cooperate with supreme audit institutions abroad and may conclude with them agreements on audit activities. The Office may send Members of the Office and auditors to international or supranational audit bodies.

(2) The Office may be a member of international organisations associating audit institutions.

Section 17

Audit plan

(1) The audit plan shall define the audits to be performed in the next financial year in terms of their subject and schedule.

(2) The Office is entitled to procure data/documents necessary for drawing up the audit plan and changes thereto. The person whom the Office asks for the data/documents is obliged to provide information and documents to the Office in the term set by the Office. The materials acquired may be used in an audit as information about investigated and related facts.

(3) When drawing up the audit plan, its authors shall proceed from suggestions presented by the President of the Office, the Vice-President of the Office and Members of the Office. Suggestions may arise from activities of the Office, from the Chamber of Deputies, the Senate and their bodies, and from the government.

(4) For each specific audit, the audit plan shall specify in particular:

(a) the object and goals of the audit and the designation of the audited body, organisational unit of the state, legal or natural person (hereinafter 'the auditee');

(b) the timetable of the audit;

(c) the name of the Member of the Office who will draw up the audit report and of the body of the Office approving the audit report;

(d) the composition of the Senate of the Office, if established.

(5) The approved audit plan shall be submitted for information purposes to the Chamber of Deputies, to the Senate, and to the government by the President of the Office, who shall also publish the audit plan in the *Bulletin of the Supreme Audit Office* (hereinafter 'the *Office Bulletin*').

(6) Any change to be effected in the audit plan shall be approved by the Board of the Office. The approved change shall be submitted for information and shall be published in the *Office Bulletin* pursuant to paragraph 5.

Section 18

Annual report

(1) The annual report shall be submitted to the Board of the Office by the President of the Office for approval.

(2) The annual report shall contain in particular:

(a) an evaluation of the audit plan;

(b) a financial assessment of the benefits of audits;

(c) an evaluation of other activities.

(3) The annual report shall be submitted for information purposes by the President of the Office to the Chamber of Deputies, the Senate, and the government within three months from the end of the financial year. The President of the Office shall publish the annual report in the *Office Bulletin*.

Audit Rules of Procedure

Section 19

(1) The Audit Rules of Procedure shall govern the audit procedure to be followed and the relationships between the Office, bodies of the Office, Members of the Office and auditors charged with the conduct of a specific audit on the one hand and auditees on the other hand.

(2) Audits shall be carried out by Members of the Office and auditors on the basis of a written warrant issued by the President of the Office or issued by a Member of the Office so authorised.

(3) The warrant shall state the object and the material aspect of the audit, names, surnames, and titles of auditors and their position in the Office, the name and surname of the head of the team of auditors, and the authority or persons to whom an appeal contesting the ruling on objections filed against the audit protocol may be addressed.

Section 20

(1) Audits may not be performed by auditors if their relationship to the auditees or to the subject of the audit gives reasonable grounds for suspicion of bias.

(2) Auditors who learn of facts indicating their bias shall report this fact immediately to the competent Member of the Office or, if they themselves are Members of the Office, to the President of the Office.

(3) Auditees shall report circumstances indicating bias in an auditor to the Office as soon as they learn of such facts.

- (4) An objection to bias in an auditor shall be ruled on without undue delay.
- (5) Until the ruling on the objection to bias is made, the affected auditor shall perform only acts which cannot be deferred.
- (6) There shall be no appeal against the ruling on an objection to bias.

Section 21

When conducting an audit, auditors may:

- (a) enter the buildings, establishments and operational facilities, land and other premises of auditees, provided that these are related to the subject of the audit; the inviolability of domicile is guaranteed⁴;
- (b) demand that auditees submit, by the specified deadline, original documents and other written materials, data from information systems (which they are administrators or operators of) on electronic storage devices or excerpts and source program codes thereof, samples of products or other goods (hereinafter 'documents'), as well as make video and audio recordings;
- (c) acquaint themselves with confidential information provided, that they submit a certificate for the relevant level of confidentiality of such information issued pursuant to a special legislation⁵;
- (d) demand from auditees true and full, oral and written information concerning the facts being ascertained and facts relating thereto;
- (e) keep hold of documents in legitimate cases; they shall confirm in writing the receipt of such documents and provide the auditees with copies of such documents;
- (f) demand that auditees present, within a set time limit, a written report on the elimination of ascertained deficiencies;

4 Article 12 paragraphs 1 and 3 of the Charter of Fundamental Rights and Basic Freedoms (the provision of CNR No 92/1993 Coll.).

5 Act No 412/2005 Coll., on the protection of classified information.

- (g) use auditees' telecommunication equipment and data connection to public electronic communications network for the purpose of the audit;
- (h) request from auditees or from other audit body accounting records from the central system of state accounting information, or request accounting records from the administrator of the central system of state accounting information, in accordance with the Act on Accounting,
- (i) demand that, within set time limits, auditees make available any data related to the subject of the audit and stored or processed in the auditee's information system, or stored and processed in other files and applications, if such data are not a part of public administration information systems.

Section 22

- (1) During audits auditors shall ascertain the true state of affairs and shall demonstrate the true state of affairs by means of documentary evidence.
- (2) In addition, auditors shall:
 - (a) notify auditees when the audit commences and present them with the warrant to conduct the audit;
 - (b) respect the rights and the legally protected interests of the auditees;
 - (c) return without delay any kept documents to the auditees when the reasons for keeping them have ceased to apply;
 - (d) duly safeguard kept documents against loss, destruction, damage or misuse;
 - (e) draw up an audit protocol on the results of the audit;
 - (f) respect the confidentiality of all facts they learn in the course of the audit and not misuse knowledge of such facts.

Section 23

Auditors may be relieved of their professional confidentiality duty by the person in whose interest they have such duty or, for reasons of important public interest, by the President of the Office. If the Czech National Bank is the auditee, the professional confidentiality duty stipulated in the Protocol on the Statute of the European System of Central Banks and of the European Central Bank⁶ is not governed by this provision. This provision shall not prejudice the duty to report certain facts to the authorities competent under special regulations⁷.

Section 24

(1) Auditees shall provide the auditors with the cooperation appropriate to the auditors' powers as specified in Section 21 of this Act. Natural persons shall not be bound by the obligation per Section 21(d), if the fulfilment of the obligation would expose them or their close persons to the danger of criminal prosecution⁸.

(2) Auditees shall provide the material and technical facilities for the conduct of the audit to the necessary extent and as appropriate to the nature of their activity and technical equipment.

Section 25

(1) An audit protocol shall be drawn up on the conducted audit. Audit protocols shall include, in particular, a description of the ascertained facts and a list of the shortcomings found, and shall specify any legal regulations that have been violated.

(2) The audit protocol shall contain the designation of the Office and the names of the auditors taking part in the audit, the designation of the auditee, the place and date of the audit, the subject of the audit, the actual state of affairs, and an

6 Art. 37 of the Protocol (No 4) on the Statute of the European System of Central Banks and of the European Central Bank.

7 For instance, Section 8 of Act No 141/1961 Coll., on judicial proceedings (Criminal Law) as amended.

8 Section 22 of Act No 89/2012 Coll., the Civil Code.

identification of the documents and other material the protocol is based on. The audit protocol shall be signed by the auditors who took part in the audit.

(3) The head of the team of auditors shall be personally responsible for the content of the protocol.

Section 26

(1) It shall be the auditors' duty to inform the auditees about the content of the audit protocol and give them an identical copy thereof.

(2) By signing the protocol, the auditees shall confirm that they were informed of the content of the audit protocol and that they have received a copy.

(3) If an auditee refuses to be informed of the content of the audit protocol or refuses to confirm that it has been so informed, these facts shall be noted down in the audit protocol.

Section 27

(1) Auditees may file objections against the audit protocol to the head of the team of auditors within a time limit of five working days from the day on which they were informed of its content, unless the auditor sets a longer time limit. Objections shall be filed in written form and shall be substantiated.

(2) Objections shall be ruled on by the head of the team of auditors.

(3) If the objections are not sustained the auditee may, within fifteen days from the day on which the ruling on the objections was delivered, file an appeal addressed to:

(a) the authorised Senate of the Office in cases where the audit protocol served as a basis for an audit report discussed by such a Senate of the Office;

(b) the Board of the Office in cases where the audit protocol served as a basis for an audit report discussed by the Board of the Office.

(4) When there are good grounds to do so, the authorised body of the Office shall change or dismiss the ruling on the objections, or else shall overrule the appeal and confirm the original ruling.

(5) If, in the appellate proceedings contesting a ruling on objections, it proves necessary to supplement the investigation of the case, the respective body of the Office shall fully or partially annul the original ruling and shall proceed with a further investigation of the case. The facts ascertained during such investigation shall be set down in an appendix to the audit protocol. The provisions of paragraphs 1-4 above and Sections 25 and 26 shall apply mutatis mutandis to the treatment of such appendix.

(6) There shall be no further appeal against the ruling of the authorised body of the Office.

Section 28

(1) A natural person who wilfully caused a violation of the obligation under Section 17(2) or wilfully caused an auditee not to fulfil its duty pursuant to Section 24 of this Act may be fined by the Office up to the amount of CZK 50,000.

(2) A fine may be levied repeatedly if the duty is not fulfilled even within a new time limit set by the auditors.

(3) A fine may be levied within one month from the day on which the duty was not fulfilled.

(4) Fines shall constitute a revenue of the state budget of the Czech Republic.

(5) Fines shall be enforced by the Office.

Section 29

(1) Costs incurred by the Office in connection with the conduct of audits shall be borne by the Office.

(2) Costs incurred by auditees in connection with the conduct of audits shall be borne by such persons, with the exception of costs incurred in connection with

the exercise of the right specified in Section 21(g) of this Act, which costs shall be borne by the Office. The state shall be liable for any damage caused to auditees in connection with the conduct of audits; such liability may not be waived.

(3) Any claim to reimbursement of costs incurred pursuant to the provisions of paragraph 2 shall be asserted with the Office not later than six months from the day such costs were incurred, otherwise the claim shall expire.

Section 30

(1) All approved audit reports shall be published by the President of the Office in the *Office Bulletin* and sent by the President of the Office to the Chamber of Deputies, the Senate and the government.

(2) Upon request, the Office shall supply the Chamber of Deputies, the Senate and the government with the audit protocols and other materials underpinning the approved audit reports. Persons who acquaint themselves with such documents shall be subject *mutatis mutandis* to the provisions of Section 22(2)(f) and Section 23 of this Act.

(3) The procedure for the treatment of audit reports pursuant to the provisions of paragraphs 1 and 2 shall not apply to those audit reports that contain facts covered by a special act. In cases where audit protocols underpinning audit reports are passed on to the criminal justice authorities, such records may be published only with the consent of the competent authority.

(4) The rules governing the treatment of the audit reports referred to in paragraph 3 shall be set by the Board of the Office.

Section 31

The Act on Control and, with the exception of § 28 of this Act, the Code of Administrative procedure⁹ do not apply to the proceedings under this Audit Rules.

9 The Act No 500/2004 Coll., the Administrative Procedures Code, as amended.

PART FIVE

FINANCING AND MANAGEMENT OF THE OFFICE

Section 32

Financing of the Office

- (1) The expenditure of the Office shall be covered from the state budget of the Czech Republic.
- (2) The Office shall have its separate chapter in the state budget of the Czech Republic; such budget chapter shall form part of the act on the state budget of the Czech Republic.
- (3) The draft budget shall be submitted by the President of the Office to the Board of the Office for approval.
- (4) The draft of the budget chapter of the Office, approved by the Board of the Office, shall be submitted by the President of the Office to the Chamber of Deputies and simultaneously to the Ministry of Finance.

Section 33

Management of the Budget Chapter of the Office

- (1) Save where this Act provides otherwise, management of the budget chapter of the Office shall be the same as in the case of state administration authorities.
- (2) The Chamber of Deputies, or a body established or authorised by it for this purpose, shall audit the Office's management of state property, including state budget finances within the budget chapter of the Office.
- (3) The closing account of the budget chapter of the Office shall be submitted by the President of the Office to the Chamber of Deputies together with the auditor's report on the annual financial statements.
- (4) The closing account of the budget chapter of the Office shall be submitted by the President of the Office to the Ministry of Finance for inclusion in the draft of the state closing account of the state budget, together with the opinion

of the Chamber of Deputies, or a body thereof, if such opinion was adopted.

PART SIX

COMMON PROVISIONS

Disciplinary Responsibility

Section 34

The President, Vice-President and Members of the Office shall be held liable for disciplinary misconduct.

Section 35

(1) Disciplinary misconduct is a culpable violation of the duties of the President, Vice-President and Members of the Office as laid down in this Act or conduct whereby they bring the Office into disrepute or undermine confidence in the independence and impartiality of their own person or of the Office.

(2) The conduct referred to in paragraph 1 shall constitute serious disciplinary misconduct when the character of the breach of duty, the behaviour, the degree of culpability, recurrence or other aggravating circumstances cause the damaging effect of such conduct to be increased.

Section 36

The accountability of the President, Vice-President and Members of the Office for disciplinary misconduct shall cease upon the expiration of one year from the commission thereof.

Disciplinary Chamber of the Office

Section 37

Disciplinary responsibility shall be established by and disciplinary measures imposed by the Disciplinary Chamber of the Office.

Section 38

(1) The Disciplinary Chamber of the Office shall consist of its chairman and two members.

(2) The chairman of the Disciplinary Chamber of the Office shall be the President of the Office. The two other members and their substitutes shall be appointed by the President of the Supreme Court of the Czech Republic from the ranks of the judges of that Court.

(3) If a motion to institute disciplinary proceedings is directed against the President of the Office, the Disciplinary Chamber shall be chaired by the Vice-President of the Office.

Disciplinary Proceedings

Section 39

(1) Disciplinary proceedings shall be initiated by the Disciplinary Chamber of the Office on the motion of the President, Vice-President or a Member of the Office, of a Member of Parliament or bodies of the Chamber of Deputies, or on its own initiative.

(2) Proceedings in the Disciplinary Chamber of the Office shall be governed by the disciplinary rules.

Section 40

(1) Proceedings in the Disciplinary Chamber of the Office shall be closed to the public.

(2) A record of the proceedings in the Disciplinary Chamber of the Office shall be drawn up.

Section 41

The chairman of the Disciplinary Chamber of the Office shall notify the person who is subject to disciplinary proceedings that disciplinary proceedings have been initiated and shall advise such person of their rights.

Section 42

(1) The Disciplinary Chamber of the Office shall discontinue disciplinary proceedings if:

(a) the person against whom the proceedings are conducted resigns from office;

(b) the responsibility for the respective disciplinary misconduct ceased to apply;

(c) misdemeanour proceedings or criminal proceedings have already been initiated for the same act, or a final judgment has been made in the same case.

(2) The Disciplinary Chamber of the Office shall suspend disciplinary proceedings if it is of the opinion that the acts of which the President of the Office, Vice-President of the Office or Member of the Office are accused of qualify as a crime, and shall refer the case to the competent criminal justice authorities.

(3) If the Disciplinary Chamber of the Office reaches the conclusion that the President of the Office, Vice-President of the Office or Member of the Office did commit disciplinary misconduct, it shall rule on the disciplinary measures to be imposed.

(4) If the Disciplinary Chamber of the Office reaches the conclusion that the President of the Office, Vice-President of the Office or Member of the Office did not commit disciplinary misconduct, or cannot be proven to have done so, it shall acquit.

Section 43

(1) Rulings of the Disciplinary Chamber of the Office shall be drawn up in written form and shall be delivered to the Member of the Office against whom the disciplinary proceedings were conducted.

(2) An appeal may be filed with the Supreme Court against a ruling of the Disciplinary Chamber of the Office within fifteen days of the ruling's delivery.

The appeal shall have a suspensive effect.

Section 44 **Disciplinary Measures**

(1) Either of the following disciplinary measures may be imposed for disciplinary misconduct:

- (a) reprimand;
- (b) reduction of pay by up to 15 per cent for a period of not more than three months.

(2) Either of the following disciplinary measures may be imposed for serious disciplinary misconduct or for repeated disciplinary misconduct:

- (a) reduction of pay by 15 per cent for a period of not more than six months;
- (b) proposal for dismissal of the respective Member of the Office;
- (c) proposal for dismissal of the President of the Office or Vice-President of the Office.

Section 45 **Office Bulletin**

(1) The Office shall issue the Office Bulletin, which shall also be published on its website.

(2) The Office Bulletin shall contain in particular:

- (a) the rules of procedure of the Board of the Office and of the Senates of the Office;
- (b) the disciplinary rules;
- (c) the audit plan;
- (d) the annual report;

(e) all audit conclusions with the exception of those which include facts covered by special legislation.

Section 46

(1) The salary and other particulars associated with the post of President of the Office, Vice-President of the Office and Members of the Office shall be governed by special legislation¹⁰.

(2) The provision of a salary and remuneration based on contracts for work performed outside the employment relationship of the employees of the Office is governed by the Labour Code and the Remuneration Code of the Office. The Remuneration Code of the Office is issued by the President of the Office after it is approved by the Committee on the Budget of the Chamber of Deputies.

Section 47

(I) to (10) repealed

(II) Members of the Disciplinary Chamber of the Office shall be entitled to a lump-sum compensation for the exercise of their office amounting to CZK 1,000 a month.

Section 48

Save where this Act provides otherwise, the President of the Office, Vice-President of the Office and Members of the Office shall be subject to the provisions of the Labour Code.

¹⁰ Sections 20 - 24 of the Act No 236/1995 Coll., on the Salary and Other Indemnities Associated with the Execution of the Office of Representatives of State Power and Some State Bodies and Judges and deputies of the European Parliament, as amended by Act No. 626/2004 Coll.

PART SEVEN

TRANSITORY AND CLOSING PROVISIONS

Section 49

- (1) The Board of the Office shall be convened by the President of the Office within fifteen days after the election of at least ten Members of the Office by the Chamber of Deputies.
- (2) The President shall submit the drafts of the rules of procedure of the Board of the Office and of the Senates of the Office at the first session of the Board of the Office.
- (3) The President of the Office shall submit the draft of the disciplinary rules to the Board of the Office no later than within two months after the first session of the Board of the Office.

Section 50

- (1) The Ministry of State Control and the Supreme Audit Office of the Czech Republic are hereby abolished.
- (2) The rights and obligations ensuing from labour relations and from property and other relations shall pass from the Ministry of State Control of the Czech Republic and from the Supreme Control Office of the Czech Republic to the Office.
- (3) Protocols, audit findings and other documents from audits initiated prior to the day on which this Act enters into effect shall be used by the Office in its work, provided they are in keeping with the provisions of this Act.

Section 51

The following laws and legal provisions are hereby repealed:

1. Constitutional Act of the Czech National Council No 481/1991, constituting the Audit Office of the Czech Republic;

2. Act of the Czech National Council No 61/1992, on the Supreme Audit Office of the Czech Republic;
3. Section 2(a) and Sections 5, 6 and 7 of the Act of the Czech National Council No 552/1991, on state control;
4. Section 1(15) and Section 18 of the Act of the Czech National Council No 2/1969, on the constitution of ministries and other central agencies of state administration of the Czech Republic, as amended;
5. Section 6, Article IV of the Act of the Czech National Council No 10/1993, on the State Budget of the Czech Republic for 1993, and on the amendment of some Acts of the Czech National Council and of some other regulations.

Section 52

This Act shall enter into effect on 1 July 1993.

Selected amendments

Act No 239/2012 Coll., article XII

Transitory Provision

Approval of the financial statements according to Section 13(3)(b) of Act No 166/1993 Coll. effective as of its entry into effect shall be performed firstly for the fiscal period 2012.

Act No 78/2015 Coll., article II

Transitory Provision

Audits that started before the day this Act came into effect shall be finished under the terms of Act No 166/1993 Coll. effective in the wording before this amendment came into effect.

Article II of Act No 46/2020 Coll.

Transitory Provision

The procedure according to Section 46 paragraph 2 of Act No 166/1993 Coll., in the version in force from the day on which this act entered into force, shall be applied for the first time for the 2021 budget year. Until such time as the Remuneration Code of the Office is issued according to this Act, the provision of salary and remuneration based on contracts for work performed outside the employment relationship of the employees of the Office shall be governed by existing legal regulations.

